U64303-U

economic analysis of north american ski areas 1989-1990

USIA
MEMBER
UNITED SKI INDUSTRIES ASSOCIATION

Business Research Division
Graduate School of Business Administration
University of Colorado at Boulder
Boulder, Colorado

ECONOMIC ANALYSIS OF NORTH AMERICAN SKI AREAS 1989–1990

by

C. R. Goeldner, T. A. Buchman, C. E. DiPersio, and G. S. Hayden

Business Research Division
Graduate School of Business Administration
University of Colorado at Boulder
Boulder, Colorado

Price per Copy: $75.00

Additional copies may be ordered from:

Business Research Division
Campus Box 420
University of Colorado at Boulder
Boulder, Colorado 80309–0420

ISBN: 0 – 89478 – 021 – 2

Copyright 1991

by the

Business Research Division
Graduate School of Business Administration
University of Colorado at Boulder
Boulder, Colorado 80309–0420

ECONOMIC ANALYSIS OF NORTH AMERICAN SKI AREAS, 1989 – 1990

EXECUTIVE SUMMARY

This 1989–90 survey is the twenty-second economic report to the ski industry. Measured by skier visits, the U.S. respondents to this survey reported total skier visits of 24.9 million compared with the 1989–90 USIA End of Season National Business survey estimated total of 50.0 million skier visits for the nation. This means the U.S. respondents to this survey received 49.7% of the skier visits in the nation in 1989–90. If the balance of the U.S. areas had similar experiences, the U.S. ski industry processed gross revenues of $1.88 billion, had an investment of $3.23 billion in gross fixed assets, and provided payrolls (direct labor) of $387.3 million.

This report follows the format of the previous reports to increase comparability and standardize measurements. (Starting with the 1988–89 report, some table numbers were changed for clarity, but both the nature and the order of the tables remain the same. Except for the insertion of an occasional additional line of computation or of table notes, the information presented in each table is unchanged.)

Response

The 1989–90 survey is based on complete and detailed financial data from 133 ski areas, five fewer than the 1988–89 study.

Profitability

The ski industry recorded an average 7.4% operating profit (profit before income tax and interest expense) as a return on gross fixed assets, down from the 8.4% in 1988–89, and up from the 6.8% in 1987–88. Sixty-eight percent of the respondents reported operating profits, which is less than the 76% in 1988–89 and less than the 83% in 1987–88. The average before-tax profit was $540,000, down substantially from the average before-tax profit of $701,000 in 1988–89, but up from the $368,000 recorded in 1987–88.

Utilization

Utilization declined to 31%, down from the 33% of the three previous years. Equivalent days/nights of operation were down slightly to 117, from 125 in 1988–89 and 127 in 1987–88.

Revenue

Average revenue per skier visit increased 7.2% to $24.12. Average total revenue (from Table 26) was up 9.2% to $6,181,000.

Average adult weekend day ski lift prices were up 8.7%, to $27.20. Discounting continued, with areas' realized revenue amounting to 74.5% of the weekend day price. Average ski lift ticket revenue per skier visit was $20.27.

Expenses

Cash operating costs averaged $5.66 per skier capacity per equivalent operating day/night. This critical measure is up 6.4% over 1988–89, when it was $5.32. Direct operating expenses were up 14.4% (Table 24). Insurance costs decreased for the second consecutive year. The decline was 9.9% for the average area.

Summary

HIGHLIGHTS AT A GLANCE

	1989–90 Respondents (000)	By Profitability		
		Top Half (000)	*Bottom Half (000)*	*Loss (000)*
Gross Fixed Assets	*$ 15,381*	*$ 20,548*	*$ 17,641*	*$ 7,610*
Total Gross Revenue	*$ 8,847*[a]	*$ 10,341*	*$ 5,963*	*$ 2,056*
Operating Expenses	*$ – 7,716*	*$ – 7,268*	*$ –5,259*	*$ – 2,510*
Operating Profit (Loss)	*$ 1,131*	*$ 3,073*	*$ 704*	*$ (454)*
Interest	*$ 591*	*$ 636*	*$ 822*	*$ 304*
Profit (Loss)Before Tax	*$ 540*	*$ 2,437*	*$ (118)*	*$ (758)*
Number of Respondents	133	45	45	43

[a] From Table 24.

The 1989–90 season results are a tribute to the snowmaking and snow grooming abilities of North American ski areas, because the season was plagued by low snowfall and almost every unfavorable winter weather condition. In spite of bad weather, skier visits remained relatively strong, especially when compared to previous poor snow years. A good example is Colorado, where October through January snowfall patterns were similar to the snow drought season of 1980–81, when there was a 30.3% decline in skier visits. Yet in 1989–90, Colorado recorded over 9.7 million skier visits, for the second best skier visit year on record, only 2.8% behind 1988–89.

Because ski areas suffered from unfavorable weather, economic performance was down. The industry recorded an average 7.4% operating profit (profit before income tax and interest expense) as a return on gross fixed assets (GFA), down from 8.4% in 1988–89, yet up from the 6.8% recorded in 1987–88. Dollar profits before taxes were down at $540,000, compared to $701,000 in 1988–89; however, they were up over the $368,000 recorded in 1987–88. The 1989–90 season performance is more impressive when compared to previous years and when one considers that operating days were 117 versus the 125 in 1988–89.

Sixty-eight percent of the respondents reported operating profits. Total revenue was up, average revenue per skier visit was up, and operating expenses were up. After remaining relatively stable last season, expenses took a big jump in 1989–90, substantially outpacing the increase in revenue.

The top profit areas continue to perform well above the industry averages. The top profit areas recorded an average profit before taxes of $2,437,000, up from $1,864,000 in 1988–89. Operating profit on GFA was 15.0%. See Chapter V for more details on profitability.

All of the regions except the Pacific Northwest, which was the hardest hit by weather conditions, recorded an operating profit and a profit before tax. Western Canada recorded the best performance, with operating profit as a percent of GFA at 14.0%. Western Canada also recorded the largest dollar profits before taxes. For more details on the regions, see Chapter VII.

THE SKI AREA DOLLAR

The following table and pie charts illustrate the sources and the uses of the ski area customer's dollar for the 1989–90 season.

THE SKI AREA DOLLAR

	1989–90 Season	1988–89 Season	1987–88 Season	1986–87 Season	1985–86 Season
What It Buys					
Ski Lift Tickets	$0.524	$0.544	$0.529	$0.547	$0.516
Ski Lessons	0.062	0.059	0.059	0.058	0.057
Food and Beverages	0.109	0.120	0.122	0.126	0.113
Ski Equipment and Clothing	0.043	0.043	0.045	0.042	0.039
Rental of Equipment	0.036	0.038	0.041	0.041	0.035
Miscellaneous (Winter)	0.067	0.065	0.063	0.061	0.056
Summer Services[a]	0.082	0.079	0.062	0.069	0.071
Real Estate	0.077	0.052	0.079	0.056	0.113
TOTAL	***$1.000***	***$1.000***	***$1.000***	***$1.000***	***$1.000***
What It Pays For					
Labor (Payrolls)[b]	$0.240	$0.243	$0.238	$0.250	$0.242
Utilities, Supplies, Maintenance, Etc.[c]	0.185	0.169	0.166	0.175	0.185
Cost of Goods Sold	0.092	0.092	0.113	0.109	0.149
General and Administrative	0.105	0.107	0.106	0.110	0.109
Depreciation	0.106	0.093	0.101	0.112	0.103
Interest	0.067	0.058	0.059	0.068	0.066
Advertising/Marketing	0.054	0.052	0.052	0.055	0.051
Insurance	0.038	0.047	0.055	0.056	0.042
Land Use Fees	0.016	0.017	0.017	0.015	0.017
Property and Other Taxes	0.015	0.015	0.017	0.016	0.018
Miscellaneous	0.020	0.018	0.036	0.024	0.010
Income Taxes (50%)	0.031	0.044	0.020	0.005	0.004
Profit (50%)	0.031	0.044	0.020	0.005	0.004
TOTAL	***$1.000***	***$1.000***	***$1.000***	***$1.000***	***$1.000***

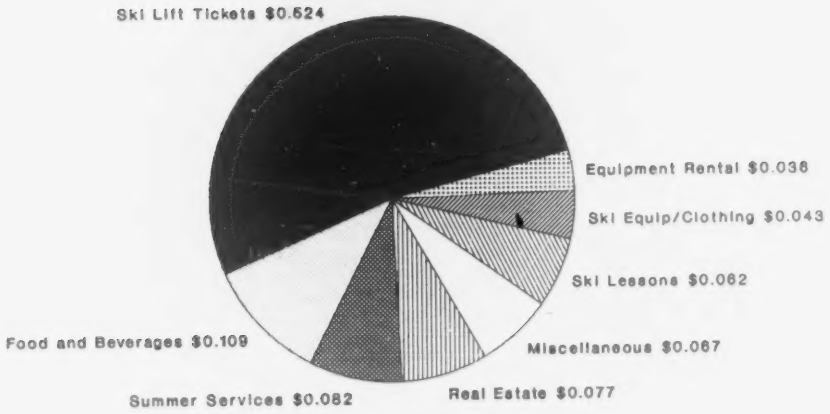
[a] Includes summer season plus utility department and miscellaneous.

[b] Includes direct labor, snowmaking labor, and payroll taxes.

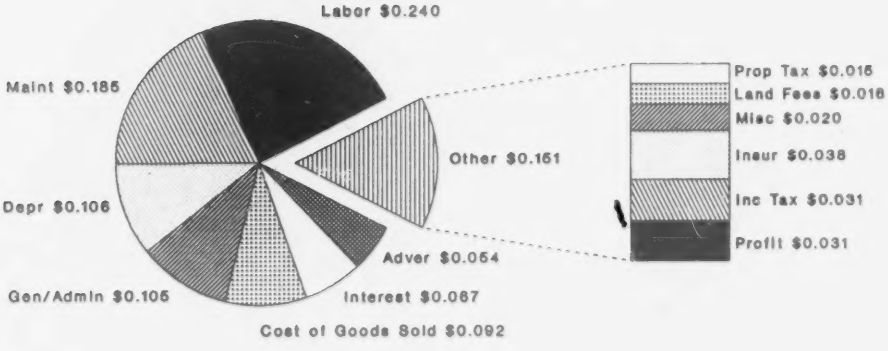
[c] Includes other direct expense, property operations, snow removal, and snowmaking—power, maintenance, other.

THE SKI AREA DOLLAR
1989 - 90 SEASON

What It Buys



What It Pays For



COMMENTS

UNITED SKI INDUSTRIES ASSOCIATION

David Ingemie, President

The 1989–90 ski season will be etched in history as interesting, to say the least, and as one of those aberrations that shows up in every long-term trend graph.

The season was a challenge right from the start for the people in the industry: early snow, no snow, late snow, too much snow, too warm, too cold, you name it. These are all situations which happened in various regions of the country.

Even with all the irregularities in weather, the ski industry was down only 6% in skier days, going from 53.3 to 50 million. This was done with 20 fewer ski areas and a 2.8% decrease in the number of days ski areas were open.

Ski retailers experienced a slight decline in units but recorded an increase in sales.

The banking industry was having difficult times and passed this on to all, including the ski industry. Tight credit, higher guarantees, and even no credit, were the order of the season. This added a new dimension to the word "challenging" to the ski area business.

Despite these obstacles, there were some bright spots. Ski areas continued to invest in capital improvements for snowmaking, lifts, buildings, etc. We have had some foreign investors buy ski areas and have had an increase in international skiers from Europe, the Pacific Rim, Australia, and South America. Snowboard skiing is now offered in over 80% of ski areas, and the number of ski lessons was up.

The Baby Boom echo is about to affect us as small children are reaching the skier age. This will be positive, considering the aging of the population.

The ski industry has many challenges, as do other industries such as computers, home entertainment systems, auto, housing, etc. We are fortunate to be in an industry which provides its customers a chance to escape the real world and to enjoy the environment, and to do it in the winter season.

VERMONT

George A. Donovan, Agency of Development and Community Affairs

Heavy snow and cold temperatures combined for a record December in terms of skier days. Periods of rain and warm temperatures during January, February, and March kept totals below previous highs. The total number of alpine skier days is estimated at 4.6 million, up about 2% from a year ago. Peak attendance came on Saturday, 30 December, when an estimated 111,700 skiers were on the slopes. A survey of out-of-state skiers indicates expenditures of about $77.40 per day, an average stay of 3.8 days, and 3.0 persons per trip.

VERMONT: ATTENDANCE AND EXPENDITURES

Season	Estimated Annual Skier Expenditures	Estimated Skier-Days	Average Expenditures per Skier-Day
1976–77	$80,000,000	3,000,000	$26.70
1977–78	115,000,000	3,600,000	32.00
1978–79	109,000,000	3,200,000	34.00
1979–80	84,000,000	2,100,000	40.00
1980–81	120,000,000	3,100,000	39.00
1981–82	200,000,000	4,000,000	50.00
1982–83	165,000,000	3,000,000	55.00
1983–84	230,000,000	4,150,000	55.50
1984–85	217,000,000	3,850,000	56.50
1985–86			
Vermonters	15,000,000	710,000	20.00
Out-of-Staters	235,000,000	3,750,000	62.20
Total	***250,000,000***	***4,460,000***	***56.00***
1986–87			
Vermonters	20,000,000	850,000	21.00
Out-of-Staters	310,000,000	4,350,000	71.30
Total	***330,000,000***	***5,200,000***	***63.50***
1987–88			
Vermonters	16,000,000	780,000	21.00
Out-of-Staters	274,000,000	4,070,000	67.20
Total	***290,000,000***	***4,850,000***	***60.00***
1988–89			
Vermonters	20,000,000	900,000	22.00
Out-of-Staters	250,000,000	3,600,000	69.60
Total	***270,000,000***	***4,500,000***	***60.00***
1989–90			
Vermonters	22,000,000	970,000	23.00
Out-of-Staters	278,000,000	3,630,000	77.40
Total	***300,000,000***	***4,600,000***	***65.00***

SOUTHEASTERN SKI AREAS ASSOCIATION

D. Grady Moretz, Jr., President

The record cold snap that gripped much of the eastern United States in December extended so far south that even Alabamans were skiing. The owner of a golf course in Alabama called in December and asked to join the Southeastern Ski Areas Association (SSAA). They skied in Alabama right up until 6 January.

That's the day the cold snap broke, but up until then, southern ski areas were offering some of the best skiing in the nation—yes, the nation. Some areas were reporting base depths of 60". That was better than they had in Utah.

But alas, the record-breaking start to the season was short-lived. December was followed by one of the warmest Januarys on record, and by the end of the month some areas were already out of business. A cold snap the last weekend in February helped a few resorts open again, but only until about mid-March.

Every resort will be down from last year's totals. West Virginia ski areas ended about 10% down, while Virginia resorts were down between 20% and 30%. In North Carolina, estimated skier visits will be down an average 10% to 20%, with some areas reporting business off by as much as 35% to 50%. The same goes for Tennessee and Georgia. As for Alabama, well, they're up, but only because they don't have anything to compare to.

MIDWEST SKI AREAS ASSOCIATION

Stuart Campbell, President

Once again, our large geographic area, representing the 12 Central States, featured a variety of winter skiing conditions for 1989–90. The decade of the 1980s was not very kind to most ski areas in our region in terms of annual snowfall. This past season was no different. Early cold temperatures allowed many to offer skiing by Thanksgiving—the earliest in a number of years. The first week of the Christmas holiday, however, was marked by extremely cold temperatures (10 to 40 degrees below zero), and a week of dreary overcast and windy weather followed. Most areas reported substantial gains over previous seasons and were on their way to a record season. Even the poor showing at Christmas did not dampen their spirits.

Early January brought its normal thaw, but it lingered longer than normal. Temperatures in the southern half of the region were at near record highs for nearly one week, forcing a number of ski areas to close. After this warm spell, the remainder of the season was a struggle; the weather was not cooperative, and the crowds did not materialize. Another warm period in late February and early March closed all but the extreme northern destination resorts; even these failed to make it to the Easter holiday, contrary to hopes.

To sum up, the roller coaster weather once again produced a ski season of great summits (the early start) and great valleys (the warm January and March). One can only wonder how much longer area operators will be able, or will want, to continue to ride this roller coaster. Extreme northern areas had a great year. Extreme southern areas had a disastrous season. The areas in between had an average season. In the Midwest, 1989–90 was a poor showing for Mother Nature and for area operators as well.

COLORADO SKI COUNTRY USA

John Lay, President

Summary

Despite disappointing early snowfall, 1989–90 was a remarkable season for the Colorado ski industry. October through January snowfall patterns were similar to the "snow drought" years of 1976–77 and 1980–81 (40% and 30% skier visit declines, respectively). Yet in 1989–90, Colorado had 9.7 million skier visits, only 2.8% behind 1988–89's record year. The beneficial effect of snowmaking and slope-grooming investments was apparent, particularly in the early season. Aggressive learn-to-ski promotions, extensive capital improvements, and the increasing diversity of amenities and peripheral activities in the mountain communities also played an important role in Colorado's continued success.

Detail

Reflecting continued optimism about the future, Colorado's resorts invested over $70 million in capital improvements in 1989–90. The past season also saw more than $150 million going into lodging expansions. Ski areas made improvements in the areas of on-mountain snowmaking, lift capacity, and base lodge facilities.

We soon learned how important historic investments in snowmaking and slope-grooming equipment were. These wise decisions in the past met a critical need for providing our guests with a high-quality skiing experience while natural snow was not falling in some parts of Colorado.

Even though snow amounts in most of our front range areas were equal to or above 1988–89 amounts, the lack of early season snow and low base amounts in the southern and western regions created a "snow drought" perception among our potential customers nationwide. Cancellations for March were up even though the conditions were excellent all over the state by that time and all of our areas were fully open.

Even so, our 9.7 million skier visit number was the second best on record, and retail sales in mountain counties were up approximately 9.1% from last year's record numbers. These figures support what we were observing—visitors who did come enjoyed the skiing which was available, and those who did not ski found other interesting ways to spend their time and money in our resorts.

The national marketing campaign, "Ski It to Believe It, Colorado!" introduced thousands of never-ever skiers to skiing at bargain prices. The world's premier disabled skiers came to the 1990 World Disabled Championships at Winter Park Resort, where the U.S. team won an unprecedented 84 medals. Fans from around the world had an opportunity to see and experience Colorado's legendary skiing and hospitality.

An important accomplishment for CSCUSA this past season was securing passage of Senate Bill (S.B.) 80, a law limiting ski area liability in Colorado. The bill clarifies the responsibility of individual skiers and provides some protection from potentially debilitating lawsuits. To encourage responsible skiing conduct in a proactive manner, Olympian Billy Kidd and extreme skier Glen Plake starred in Colorado Ski Country USA's first public service announcement, "Ski Friendly: Courtesy Is Contagious."

Forecast for 1990–91

Some of the developments to watch for this upcoming season:

More snowmaking and slope-grooming investments are being made to fill the gaps occasionally found in Mother Nature's delivery system.

More direct flights into our resort communities will offer skiers increased convenience in getting to Denver from cities throughout the country and the world.

The "Gems of the Rockies" program, in its third year, continues to highlight the state's smaller areas, which offer an intimate experience at a bargain price. (Over 6,500 passes were distributed in 1989–90.)

Increased international exposure for Colorado will result from the many world class alpine, freestyle, and snowboard competitions to be held in 1990–91.

The opening of KidSlope, a cooperative project involving CSCUSA, the Denver Children's Museum, and the City and County of Denver, will introduce skiing to the children of metropolitan Denver beginning in the fall of 1990. All fourth grade students in the Denver Public School System will receive three free lessons on the artificial slope, and other groups will be accommodated on a space-available basis.

Conclusion

Weather permitting, 1990–91 should be the year that Colorado breaks the 10 million skier visit mark for the first time ever.

SKI UTAH/UTAH SKI ASSOCIATION

Bob Bailey, Executive Director

The 1989–90 ski season was kicked off again by "America's Opening" at Park City Ski Area. This year saw the first ever opening of both the men's and the women's alpine World Cup circuit in North America with excellent racing on man-made and natural snow. The races were held over Thanksgiving weekend and the men's slalom had to be cancelled on Sunday because of a major snowstorm. This storm allowed most Utah areas to begin operations, and despite below average snowfall, particularly in the south, most ski areas were open for Christmas.

Lack of snowfall in southern Utah persisted into January, and it was not until the middle of January that all Utah ski areas were in full operation. The late openings did cause skier day numbers to be off 8% at mid-season.

More average snowfalls occurred in February and March, with resultant record business at many Utah resorts. The warm weather in April and the late Easter put an early stop to a good season, but end-of-season skier day numbers declined only 2.8%.

The importance of snowmaking and a Thanksgiving opening were not lost on Utah's ski industry. Future plans call for the installation of snowmaking at a number of Utah areas and those with snowmaking plan to upgrade and expand their systems. High numbers of skiers visiting Utah areas once they were open show the marketability of Utah skiing and give promise for the future.

PACIFIC NORTHWEST SKI AREAS ASSOCIATION

Mel Borgersen, President

The Pacific Northwest suffered its fourth disappointing-to-abysmal ski season in 30 years. The other three, 1962–63, 1976–77, and 1980–81, were snow drought winters. Total snowfall in the region for 1989–90 was average or above, but it did not arrive in most ski areas until January 1990.

A few ski areas opened in November with very limited facilities, only to close when warm temperatures and rain reduced or eliminated the snowpack. One ski area operated a snow cat to transport skiers to high elevations for skiing and then return them to the base area.

On 26 December 1989, Paradise Valley, at 5,000' elevation on Mt. Rainier, reported 18" of snow. The average depth for that date is 87". In 1988, it was 102". On 30 December, Mt. Hood reported 18" at 4,500' elevation, the lowest in 50 years.

On 2 January 1990, temperatures started to fall, and snow began accumulating in the Coastal Range and the Cascade Mountains. By 4 January many areas started operating, some still on a limited basis. On 9 January winds, up to 70 mph, were recorded on the Oregon and Washington coasts. Flooding occurred in some sea level communities. Sea-Tac Airport recorded 2.38" of rain in a nine-hour period.

By 15 January, all the ski areas in this region were in operation. Attendance at some reached new records, dispelling the fear that the extremely late start might discourage many from skiing. One ski area reported 14,000 skiers on a Saturday, with hundreds of cars turned away due to full parking lots.

Heavy snow fell in the mountains throughout January, and on the last weekend, 27–28 January, 4' to 6' fell in most sections of the Cascades. Heavy snowfall and storms continued during the first two weeks of February. On 10 February one area reported 200" in the base area.

Total snowfall for the winter was above average, and the power and irrigation needs were adequately met. The overall weather patterns were the most extreme we have experienced during the past 30 years.

The market demand continued strong. In normal years, some ski areas experience 30% to 35% of their total attendance by 1 January. In spite of this material loss in the early season, attendance from January through April enabled some ski areas to recoup a good portion of their early losses.

SKIER VISITS

STATE	NUMBER OF AREAS	1989–90	1988–89	CHANGE
Washington	16	1,429,207	2,032,720	– 30%
Oregon	12	1,145,719	1,537,871	– 26
Western Idaho	5	243,307	398,302	– 10
TOTAL	*33*	*2,818,233*	*3,968,893*	*– 29%*

CALIFORNIA SKI INDUSTRY ASSOCIATION

Bob Roberts, Executive Director

Considering that not one snowflake fell from the heavens during the month of December, the 1989–90 season ended on a reasonably optimistic note. Although skier visitation was off statewide by 10%, dropping to 6.4 million visits, the majority of the major areas reported slight profits. Several areas, including Kirkwood, Snow Summit, and Mt. High, had very strong seasons with near-record crowds.

The shortened season caused most areas to shelve their capital improvement plans. Snowmaking continues to attract interest, but all contemplating resorts are critically examining their prospects in terms of weather, water, and economics. Using and prospering from snowmaking in California is not a slam dunk.

A strong vote of confidence for the industry was the completion of the $100 million Inn at Squaw Creek Resort at Squaw Valley. Coupled with Squaw Valley's summer investment in snowmaking and an Olympic-sized ice skating arena, the new facility will heighten the ski resort's world class reputation.

BRITISH COLUMBIA

George McKay, Coordinator of Ski Development, Province of British Columbia, Canada

British Columbia's major alpine ski resorts posted record levels of business revenues, for the fourth season in a row, during the 1989–90 ski season. However, the late arrival of BC's annual snowfall meant that provincial skier volumes were down from the previous record year (1988–89) by approximately 5% but were still well in excess of 3.2 million skier days.

The mountain resorts represent the 20 largest alpine ski areas in British Columbia and generally account for more than 95% of the total skier days in the Province. This past season, Canada West Ski Areas Association (CWSAA) reported total skier days for British Columbia areas as 3,269,109, down from last year by more than 177,500 skier days, or 5%. The mountain resorts reported 3,097,601 skier days (95% of the total), a decrease of 189,759 days, or 6%, over the past season.

The BC ski season was 117 days long, much less than the long-term Provincial average of 139 days.

Snowfall and length of ski season explain the difference—Washington and Oregon were also down in skier volume (28% and 23%, respectively). A good season plus new development in Montana and Alberta (up 6% and 12%, respectively) resulted in record visitation levels. Overall, the western Canadian and Pacific Northwest areas recorded 8.6% fewer skier days last year than the previous season.

BC's unique heliskiing and snowcat skiing operations recorded a substantial increase in skier days and revenues. Total skier days for 12 companies in this specialty sector exceeded 55,600, an increase in volume of more than 20%. Gross revenues were more than $28.0 million, an improvement of 28%. More than 80% of these skiers originate from the international market.

Other positive news included revenues for the mountain resorts. Lift ticket and company gross revenues improved at BC mountain resorts again last year, with lift revenues estimated at $57,924,000 (up from $53,169,000 last year, an increase of 9%), and gross revenues reported at $93,015,000 (up marginally from $92,786,000 in 1988–89). Lift revenues improved more than gross revenues, suggesting better ticket yields than in past seasons. The average ticket price was $26, but the average lift revenue per skier visit was $18.70, compared to $14 in the previous year. This equals an average lift ticket yield of 72%, well above previous levels, and suggests a continued decrease in price discounting.

Skier capacity (daily comfortable carrying capacity) for the mountain resorts was reported at 81,583. Ski area utilization increased to 33%, a reflection of the shorter season rather than greater volumes. Accommodation occupancy, however, was reduced to 62% this past season, from 67% in 1988–89. This covered more than 9,300 rental beds in hotels, condominiums, and chalets throughout the resorts.

Employment expanded significantly (28%), from 2,558 full-time equivalencies (FTEs) to 3,289 FTEs. An FTE is a rating that takes in full- and part-time employee counts. The annual payroll for the mountain resorts is now estimated at more than $34 million.

Capital investment for the ski companies is expected to exceed $38.0 million in improvements for the coming 1990–91 season. Major projects are underway at Blackcomb, Big White, Silver Star, Grouse Mountain, and Fernie Snow Valley. This does not include subsidiary or other private investment in the village areas which would significantly increase this statistic. Whistler Resort, for example, recorded over $44.0 million in building permits again this year.

Additional developments in the heliskiing and snowcat operations (over $6.9 million in capital projects), the opening of the Coquihalla highway connector, and projections for an early winter presage a strong and continued growth for the mountain resorts and prospects for a better season this coming year.

PREFACE

The Business Research Division is pleased to present another edition of the USIA (formerly NSAA) *Economic Analysis of North American Ski Areas* in its tourism and recreation report series. The reader will find this study, covering the 1989–90 season, has followed the format of last season's report for ease in comparison.

The 1989–90 ski season was plagued with poor snow conditions in many regions of the country. In spite of uncooperative weather, the ski industry was down only 6% in skier days, dropping from 53.3 million in 1988–89 to 50 million. This remarkable showing is a tribute to the snowmaking and snowgrooming capabilities of the industry. Readers are urged to utilize the 1989–90 data in conjunction with previous studies to obtain a realistic picture of the industry over time.

The USIA Economic Study Committee again asked the ski areas to identify themselves on the questionnaire, which made it possible to have a more efficient follow-up. Calls to areas for small bits of missing financial data enabled us to utilize the majority of the questionnaires, compute ratios, and do other types of analysis, which are not possible when any key data elements are missing. Also, only areas that provided 12-month financial data were included, so that comparisons would be as meaningful and consistent as possible. The response resulted in 133 areas providing complete financial data.

Any comments, questions, or suggestions for improvement of the survey should be directed to Charles R. Goeldner, Business Research Division, Campus Box 420, University of Colorado at Boulder, Boulder, Colorado 80309–0420, or to Gary Mielke, Steamboat Ski Corporation, 2305 Mt. Werner Circle, Steamboat Springs, Colorado 80487.

ACKNOWLEDGEMENTS

This study would not have been possible without the help of many parties. Acknowledgment is made to David Ingemie, USIA, and the USIA Economic Study Committee—*Gary Mielke*, Steamboat Ski Corporation, Chairman; *Bob Ashton*, Waterville Valley; *Curtis Bender*, Colorado Mountain College; *Mel Borgersen*, Pacific Northwest Ski Areas Association; *David L. Carto*, Snow Trails; *Chris Diamond*, Mount Snow; *Ted Farwell*, Ted Farwell and Associates; *Ken Hammerly*, Sno-engineering; *Marvin Kottke*, University of Connecticut; *Richard Linke*, Alpine Meadows of Tahoe; *George McKay*, British Columbia Ministry of Industry and Small Business Development; *Larry Schumaker*, Winter Park; *Barbara Vedder*, Ski Roundtop; and *Lisa Jones*, USIA—for their assistance with the development of the survey and its subsequent analysis.

Special thanks go to Gin Hayden, Cindy DiPersio, Kathy Jo Books, and Tom Buchman for their efforts in preparing the report.

Finally, our thanks go to the 133 ski area operators who furnished complete financial data, for without their participation the study would not exist.

C. R. Goeldner
Project Director

TABLE OF CONTENTS

Front		
	Executive Summary	i
	The Ski Dollar	iv
	Comments	vi
	Preface	xiv
	Acknowledgments	xv
	List of Tables	xvii
Chapter		
I	Introduction	1
II	Ski Industry Characteristics	5
III	Ski Area Financial Data	22
IV	Economic Ratios	31
V	Profitability	38
VI	Ski Area Department Operations	50
VII	Regional Ski Area Characteristics	63
VIII	Characteristics by Size; by Day, Weekend, and Vacation Ski Areas; and by Length of Ski Season	88
IX	Characteristics of Ski Areas with Snowmaking and Night Skiing Operations	113
X	Comments from Ski Areas	125
Appendix		
A	Ski Areas Responding to the USIA Annual Economic Survey, 1989–90 Season	132
B	United Ski Industries Association Annual Economic Survey, 1989–90 Season Questionnaire	141
C	Definitions of Terms	146
D	USIA Economic Study Committee	150

LIST OF TABLES

Chapter I

1 Geographic Location of Respondents 2
2 Sample Response, by Region 3
3 Change in Effective Response, 1989–90 versus 1988–89 3

Chapter II

4 Average Ski Area Characteristics 6
5 VTF/Hour Capacity 7
6 Ski Area Acreage and Capacity 8
7 Location of Ski Areas 9
8 Proximity to Metropolitan Areas (SMSAs) 9
9 Proximity of Competitive Areas 10
10 Ski Area Lodging Capacity 10
11 Site Ownership 11
12 Real Estate Operations 12
13 Number of Years Ski Areas Have Been in Operation 12
14 Equivalent Days and Nights of Operation 13
15 Actual versus Equivalent Days of Operation 14
16 Measures of Ski Area Capacity 15
17 Skier Visits/Season 15
18 Growth in Usage: Skier Visits 16
19 Ski Lift Ticket Prices and Average Lift Ticket Revenue/Skier Visit .. 18
20 Adult, All-Day Weekend Ski Lift Ticket Prices 18
21 Dollars of Profit (before Tax) 19
22 Other Activities Available at Ski Areas and Nearby 20
23 Computer Use and Applications 21

Chapter III

24 Average Area Income Statement 23
25 Average Area Lift Revenue and Expense 24
26 Average Ski Area Financial Data—Income Statement 26

27	Average Ski Area Financial Data—By Department	27
28	Average Ski Area Financial Data—Income Statement *Percent of Revenue*	28
29	Average Ski Area Financial Data—Income Statement *Percent of Gross Fixed Assets*	29
30	Average Ski Area Financial Data—Balance Sheet	30
31	Balance Sheet Ratios	30
Chapter IV		
32	Economic Ratios	34
33	Revenue per Skier Visit	37
Chapter V		
34	Historical Comparative Measures of Profitability	38
35	Average Ski Area Characteristics, by Profitability	42
36	Average Ski Area Financial Data—Income Statement, by Profitability	44
37	Average Ski Area Financial Data—Income Statement, by Profitability *Percent of Gross Fixed Assets*	45
38	Average Ski Area Financial Data—Income Statement, by Profitability *Percent of Revenue*	46
39	Average Ski Area Financial Data—Balance Sheet, by Profitability	47
40	Economic Ratios, by Profitability	48
Chapter VI		
41	Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Total Ski Areas*	52
42	Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Top Profit Ski Areas*	53
43	Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Bottom Profit Ski Areas*	54
44	Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Loss Ski Areas*	55
45	Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Vacation-Oriented Ski Areas*	56
46	Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Day Ski Areas*	57
47	Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Weekend Ski Areas*	58
48	Ski Area Concession Operations	59
49	Number of Employees per Average Day, by Department	60

50 Number of Employees per Peak Day, by Department 61
51 Ski Lift Department Direct Cost Breakdown, by Profitability 62

Chapter VII

52 Five-Year Comparison *Operating Profit on GFA* 64
53 Average Ski Area Characteristics, by Geographic Location *Eastern and Midwestern Regions* 65
54 Average Ski Area Characteristics, by Geographic Location *Western Regions* 66
55 Economic Ratios, by Geographic Location *Eastern and Midwestern Regions* 67
56 Economic Ratios, by Geographic Location *Western Regions* 69
57 Average Ski Area Financial Data—Income Statement by Geographic Location *Eastern and Midwestern Regions* 71
58 Average Ski Area Financial Data—Income Statement, by Geographic Location *Western Regions* 72
59 Average Ski Area Financial Data—Income Statement, by Geographic Location *Percent of Gross Fixed Assets: Eastern and Midwestern Regions* 73
60 Average Ski Area Financial Data—Income Statement, by Geographic Location *Percent of Gross Fixed Assets: Western Regions* 74
61 Average Ski Area Financial Data—Income Statement, by Geographic Location *Percent of Revenue: Eastern and Midwestern Regions* 75
62 Average Ski Area Financial Data—Income Statement, by Geographic Location *Percent of Revenue: Western Regions* 76
63 Ski Lift Department Direct Cost Breakdown, by Geographic Location *Eastern and Midwestern Regions* 77
64 Ski Lift Department Direct Cost Breakdown, by Geographic Location *Western Regions* 77
65 Average Ski Area Financial Data—Balance Sheet, by Geographic Location *Eastern and Midwestern Regions* 78
66 Average Ski Area Financial Data—Balance Sheet, by Geographic Location *Western Regions* 79
67 Average Ski Area Financial Data—By Department, As Percent of Gross Sales *New England Ski Areas* 80
68 Average Ski Area Financial Data—By Department, As Percent of Gross Sales *East Ski Areas* 81
69 Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Midwest Ski Areas* 82

70 Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Central Rockies Ski Areas* 83

71 Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Northern Rockies Ski Areas* 84

72 Average Ski Area Financial Data—By Department, As Percent of Gross Sales *California and Nevada Ski Areas* 85

73 Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Pacific Northwest Ski Areas* 86

74 Average Ski Area Financial Data—By Department, As Percent of Gross Sales *Western Canada Ski Areas* 87

Chapter VIII

75 Average Ski Area Characteristics, by Size *VTF/Hour* 89

76 Economic Ratios, by Size *VTF/Hour* 91

77 Average Ski Area Financial Data—Income Statement, by Size *VTF/Hour* 93

78 Average Ski Area Financial Data—Income Statement, by Size *VTF/Hour: Percent of Gross Fixed Assets* 94

79 Average Ski Area Financial Data—Income Statement, by Size *VTF/Hour: Percent of Revenue* 95

80 Ski Lift Department Direct Cost Breakdown, by Size *VTF/Hour* 96

81 Average Ski Area Financial Data—Balance Sheet, by Size *VTF/Hour* 97

82 Average Ski Area Characteristics, by Type of Ski Area 98

83 Economic Ratios, by Type of Ski Area 99

84 Average Ski Area Financial Data—Income Statement, by Type of Ski Area 101

85 Average Ski Area Financial Data—Income Statement, by Type of Ski Area *Percent of Gross Fixed Assets* 102

86 Average Ski Area Financial Data—Income Statement, by Type of Ski Area *Percent of Revenue* 103

87 Ski Lift Department Direct Cost Breakdown, by Type of Ski Area .. 104

88 Average Ski Area Financial Data—Balance Sheet, by Type of Ski Area 104

89 Average Ski Area Characteristics, by Length of Season 105

90 Economic Ratios, by Length of Season 107

91 Average Ski Area Financial Data—Income Statement, by Length of Season 109

92 Average Ski Area Financial Data—Income Statement, by Length of Season *Percent of Gross Fixed Assets* 110

93 Average Ski Area Financial Data—Income Statement, by Length of Season *Percent of Revenue* 111

94 Ski Lift Department Direct Cost Breakdown, by Length of Season 112

95 Average Ski Area Financial Data—Balance Sheet, by Length of Season 112

96 Average Ski Area Characteristics *Ski Areas with Snowmaking and Ski Areas with Night Operations* 115

97 Economic Ratios *Ski Areas with Snowmaking and Ski Areas with Night Operations* 117

98 Average Ski Area Financial Data—Income Statement *Ski Areas with Snowmaking and Ski Areas with Night Operations* 119

99 Average Ski Area Financial Data—Income Statement *Ski Areas with Snowmaking and Ski Areas with Night Operations: Percent of Gross Fixed Assets* 120

100 Average Ski Area Financial Data—Income Statement *Ski Areas with Snowmaking and Ski Areas with Night Operations: Percent of Revenue* 121

101 Ski Lift Department Direct Cost Breakdown *Ski Areas with Snowmaking and Ski Areas with Night Operations* 122

102 Average Ski Area Financial Data—Balance Sheet *Ski Areas with Snowmaking and Ski Areas with Night Operations* 123

103 Snowmaking Acreage, Coverage, and Capacity *Ski Areas with Snowmaking* 123

104 Night Skiing Acreage and Capacity *Ski Areas with Snowmaking and Ski Areas with Night Skiing* 124

105 Snowmaking Cost Analysis 124

I

INTRODUCTION

This economic analysis of the ski industry represents the twenty-second survey of the United Ski Industries (USIA) ski area members. Historically, the first study was conducted by Sno-engineering, Inc., and reported data for the 1965–66 and 1966–67 seasons. It was followed by the Case and Company study, which covered the 1967–68 season. These studies were followed by three United Bank of Denver studies covering the 1970–71, 1971–72, and 1972–73 seasons. In 1974, the Business Research Division, University of Colorado at Boulder, was assigned responsibility for the study and produced the sixth through the twenty-first studies, covering the 1973–74 through 1988–89 seasons. Consequently, this report focusing on the 1989–90 season represents the twenty-second effort. The survey was conducted by the Business Research Division in cooperation with the Economic Study Committee of USIA.

PURPOSES AND OBJECTIVES

The purpose of the annual survey is to measure and describe ski industry physical and economic characteristics; to create financial yardsticks and economic ratios having a bearing on health, growth, and profitability; and to present a picture of the financial performance of the ski industry.

Specific objectives are:

1. to allow ski area operators and others to examine the performance of the industry for the 1989–90 season,
2. to allow individual ski areas to compare their performance to appropriate industry norms and benefit from the experience of others,
3. to improve understanding of ski area economics,
4. to provide a historical perspective, and
5. to assist in the planning process.

METHODOLOGY

The methodology utilized in the study was the mail survey method. A questionnaire was distributed to both USIA member and non-member ski areas in July 1990. Follow-up action included additional mailings and telephone calls from Economic Study Committee members and the Business Research Division staff. Assistance was also provided by USIA headquarters and regional ski area associations in an effort to gain cooperation and participation.

The questionnaire contained 21 questions concerning various factual characteristics; one open-end question; and itemized requests for revenue, expense, profit (loss), and balance sheet data pertaining to the 1989–90 ski season. A copy of the questionnaire is contained in Appendix B.

Completed questionnaires were coded, key-punched, and summarized. In cases where tables in the report do not add to the total or to 100%, this is due to rounding.

SAMPLE RESPONSE AND VALIDITY

The survey contained information on both area characteristics and financial data. Table 1 shows the geographic breakdown of the 133 areas furnishing complete data.

TABLE 1

GEOGRAPHIC LOCATION OF RESPONDENTS

	Number		Number
New England		*Rockies*	
Maine	2	*Central Rockies*	
Massachusetts	3	Colorado	14
New Hampshire	8	New Mexico	7
Vermont	8	*TOTAL*	*21*
Quebec CANADA	5		
TOTAL	*26*	*Northern Rockies*	
		Idaho	1
East		Montana	5
New York	4	Utah	5
North Carolina	2	Wyoming	3
Pennsylvania	8	*TOTAL*	*14*
West Virginia	2		
Ontario CANADA	2		
TOTAL	*18*	*West*	
		California and Nevada	
Midwest		California	13
Illinois	2	Nevada	2
Indiana	1	*TOTAL*	*15*
Iowa	1		
Michigan	5	*Pacific Northwest*	
Ohio	2	Alaska	1
Wisconsin	3	Oregon	5
TOTAL	*14*	Washington	4
		TOTAL	*10*
Western Canada			
Alberta	5		
British Columbia	10	*TOTAL, ALL RESPONDENTS (SURVEY BASE)*	*133*
TOTAL	*15*		

Usable responses were obtained from 133 ski areas. The 133 areas providing complete financial data represent a slight decline from the 138 in the 1988–89 study. Table 2 shows the sample response by major region.

TABLE 2

SAMPLE RESPONSE, BY REGION
(000)

REGION	SAMPLE VTF/HOUR	PERCENT RESPONSE
New England	251,833	22.2%
East	89,142	7.9
Midwest	30,460	2.7
Rockies (Central Rockies, Northern Rockies)	369,161	32.6
West (California and Nevada, Pacific Northwest)	266,933	23.6
Western Canada	125,898	11.1
TOTAL	*1,133,427*	*100.1%*

Table 3 provides a comparison of the 1989–90 study response with the 1988–89 response. The 138 ski areas with complete financial data in the 1988–89 study reported 1,109,935 VTF/hour and represented about 50% of total capacity. The 1989–90 response represents 1,133,427 VTF/hour.

TABLE 3

CHANGE IN EFFECTIVE RESPONSE
1989–90 VERSUS 1988–89
(000)

REGION	1989–90 *VTF/Hour*	1988–89 *VTF/Hour*	PERCENT CHANGE
New England	251,833	247,182	1.9%
East	89,142	111,872	– 20.3
Midwest	30,460	25,519	19.4
Rockies	369,161	338,344	9.1
West and Western Canada	392,831	387,018	1.5
TOTAL	*1,133,427*	*1,109,935*	*2.1%*

LIMITATIONS

The most important limitation is that the study does not include all ski areas. While a response by U.S. ski areas accounting for 49.7% of the U.S. skier visits is excellent, it may or may not be representative of the industry. Therefore, the data can accurately be interpreted as applying to only the 133 areas that responded. These areas are listed in Appendix A.

The authors believe that response was good due, in large part, to the acceptance of the past studies, follow-up efforts, and increased awareness of the practical value of the data. Non-respondents, however, could be weighted heavily by loss operations or by small operators who do not have a great interest in the study.

HOW TO USE THE STUDY

An understanding of the terms is essential to a proper understanding of the report. Definitions are included in Appendix C, and readers are urged to familiarize themselves with these specifics prior to delving into the report.

Individual ski areas will benefit from conducting a comparative analysis. Many tables contain a column where ski areas may insert the data supplied on their questionnaires and relate their experience to the appropriate average figures. First, fill in your figures. Second, compute your critical financial ratios. Third, complete proportional analyses (percentages) based on both total revenue and gross fixed assets. Finally, with measures compared to one or more or the appropriate geographic, size, or profitability breakdowns, analyze your strengths and weaknesses. In general, concentrate on areas where your operations differ significantly from the averages.

A significant difference need not dictate a change; however, it does flag an area that requires your attention to either adequately rationalize the departure from the norm or to focus on methods of reducing the expense, increasing the revenue, or increasing the utilization.

ORGANIZATION

The report is divided into ten chapters. General ski industry characteristics and trends over the past studies are contained in Chapter II. Ski area financial performance is covered in Chapter III. Chapter IV deals with the critical financial ratios. The details of profitability are discussed in Chapter V. Chapter VI discusses the various departments and their contribution and employment. Regional characteristics and differences are discussed in Chapter VII, while Chapter VIII contains a description of the industry broken down by type (day, weekend, and vacation), size, and days of operation. Chapter IX discusses the characteristics of ski areas with snowmaking and those with night operations. Chapter X concludes the study by presenting the results of the open-end question dealing with 1989–90 season highlights.

The report contains four appendices. Appendix A lists the ski areas that responded to the survey, Appendix B presents the questionnaire used, Appendix C defines the terms used in the study, and Appendix D lists the members of the USIA Economic Study Committee.

II

SKI INDUSTRY CHARACTERISTICS

Ski areas were asked 21 questions concerning factual characteristics about their operation. These characteristics are summarized in Table 4. In subsequent chapters, similar tables summarize these significant parameters by various geographic locations, size, profitability, type, days of operation, snowmaking, and night operation breakdowns.

KEY CHARACTERISTICS

VTF/Hour

The average ski area contained 8,522,000 vertical transport feet per hour of uphill capacity, capable of comfortably handling crowds of 5,681 skiers. Average VTF/hour for surveyed areas was up 5.9% from last year. *Ski Area Management* reported in their January 1990 issue that the number of new lifts installed in 1989 for the 1989–90 season was 78 and the VTF/hour increase was 146,618.

Table 5 contains a comparison with previous studies. Ski areas in the 1989–90 study ranged from a low of 630,000 VTF/hour to a high of 51,825,530 VTF/hour.

Gross Fixed Assets

Size is also measured in gross fixed assets, the total undepreciated cost to create the ski area. Average GFA is $15,381,000, representing an average cost of $2,707 for each skier the areas are able to accommodate daily, according to calculated skier capacity. (This is defined in the chapter on economic ratios as the *capital cost/capacity ratio.*) The smallest ski area responding had GFA of $288,000, while the largest had GFA of $86,795,000.

Type

One descriptive method of differentiating ski areas is by markets. Most areas serve a specific functional market, while a number will serve more than one. Areas were asked to classify themselves as "day," "weekend," or "vacation" types. There were 64 day areas, 33 weekend areas, 36 vacation, and 0 weekend-only areas reporting. The number of areas classified as day areas is largest in the East and Midwest, while vacation areas dominate in the Rockies. A higher proportion of the smaller areas are day-oriented, while more of the larger areas are vacation destinations.

TABLE 4

AVERAGE SKI AREA CHARACTERISTICS

	1989–90	1988–89	1987–88	1986–87	1985–86	USFS PERMITTEES 1989–90
Size						
VTF/Hour (000)	8,522	8,043	7,749	7,366	7,229	11,108
Gross Fixed Assets (000)	$15,381	$13,842	$11,757	$10,976	$10,488	$18,103
Skiable Acres	666	644	654	639	630	1,123
Total Acres	2,003	1,811	1,873	1,752	1,637	2,450
Location						
Within 50 Miles of SMSA	34%	40%	40%	37%	35%	28%
With 6 or More Areas within 1 Hour	32%	35%	30%	26%	28%	32%
New England	20%	19%	20%	15%	19%	11%
East	14%	17%	13%	13%	15%	0%
Midwest	11%	9%	8%	9%	12%	0%
Rockies	26%	23%	23%	26%	24%	51%
West	19%	21%	21%	20%	29%[a]	39%
Western Canada	11%	11%	15%	16%	—[a]	0%
Site Characteristics						
Number of Beds at Base	1,225	1,833	1,989	1,875	1,892	1,896
Number of Beds within 10 Miles	4,510	4,374	4,891	4,158	4,081	6,397
With Snowmaking	74%	70%	70%	67%	69%	60%
With a Night Operation	42%	44%	51%	44%	42%	23%
Terrain						
Beginner	25%	25%	25%	25%	25%	22%
Intermediate	47%	48%	49%	48%	49%	48%
Expert	28%	27%	27%	27%	26%	30%
Business Characteristics						
Operating with USFS Permit	43%	41%	41%	45%	52%	100%
Engaged in Land Development	38%	41%	42%	40%	43%	23%
Operational Characteristics						
Average Days/Nights of Operation	117	125	127	125	129	113
Average Peak Day Crowd	5,122	5,080	5,057	4,540	4,696	5,961
Average Skier Visits (000)	229	231	224	210	218	285
Average Age of Ski Areas	30 years	29 years	29 years	28 years	27 years	32 years

Continued ...

TABLE 4 (CONTINUED)

AVERAGE SKI AREA CHARACTERISTICS

	1989–90	1988–89	1987–88	1986–87	1985–86	USFS PERMITTEES 1989–90
Economic Characteristics						
Average Revenue/Skier Visit	$ 24.12	$ 22.50	$ 20.73	$ 19.04	$ 18.71	$ 24.69
Average Ticket Revenue/Skier Visit	$ 20.27	$ 18.77	$ 17.09	$ 15.89	$ 15.68	$ 21.03
Average Adult Lift Ticket Price						
Weekend	$ 27.20	$ 25.03	$ 23.36	$ 21.51	$ 20.37	$ 26.53
Weekday	$ 24.34	$ 22.54	$ 20.93	$ 19.80	$ 18.26	$ 24.61
Average Night Ticket Price						
Weekend	$ 15.67	$ 13.37	$ 13.34	$ 12.75	$ 11.46	$ 12.81
Weekday	$ 14.83	$ 12.83	$ 12.75	$ 11.99	$ 11.23	$ 11.58
Average Adult Season Ticket Price	$456	$443	$427	$382	$385	$479
Average Utilization	31%	33%	33%	33%	34%	30%
Average Profit (Loss) before Tax (000)	$540	$701	$368	$120	$105	$402
Ratio: Revenue/GFA	40%	41%	43%	40%	42%	41%
Base	**133**	**138**	**138**	**134**	**124**	**57**

[a] The figure given for the West includes the amount for Western Canada.

TABLE 5

VTF/HOUR CAPACITY

VTF/HOUR (000)	1989–90 Number of Areas	1989–90 Percent	1988–89 Number of Areas	1988–89 Percent	1987–88 Number of Areas	1987–88 Percent
Under 2,500	20	15.0%	24	17.4%	30	21.7%
2,500 – 3,999	29	21.8%	26	18.8	20	14.5
4,000 – 5,499	20	15.0%	21	15.2	21	15.2
5,500 – 9,999	30	22.6%	33	23.9	34	24.6
10,000 and Over	34	25.6%	34	24.6	33	23.9
TOTAL	***133***	***100.0%***	***138***	***99.9%***	***138***	***99.9%***

Acreage

The average ski area contained 666 acres of developed ski slopes and trails. Currently these 666 acres support crowds of 5,681 skiers, creating an average density of 8.5 skiers/acre. Ski areas in the East region accommodate skiers at the average density of 25.2 skiers/acre, and New England areas at 27.6 skiers/acre, while the West areas vary from 3.9 skiers/acre to 10.1 skiers/acre. Table 6 summarizes this data.

This year, for the seventh time, the questionnaire contained a question about total ski area size. The average size is 2,003 acres, the smallest area contains 58 acres and the largest contains 14,000 acres. Last year the average size was 1,811 acres, the smallest area contained 5 acres, and the largest contained 14,000 acres.

TABLE 6

SKI AREA ACREAGE AND CAPACITY

	Base	Average Skiable Acres	Calculated Capacity (Skiers)	Average Density (Skiers/Acre)
Total Sample	133	666	5,681	8.5
USFS Permittees	57	1,123	7,405	6.6
Profitability				
Top	45	845	7,917	9.4
Bottom	45	622	5,626	9.0
Loss	43	526	3,399	6.5
Location				
New England	26	234	6,457	27.6
East	18	131	3,302	25.2
Midwest	14	74	1,450	19.7
Central Rockies	21	803	8,135	10.1
Northern Rockies	14	1,335	5,377	4.0
California and Nevada	15	1,210	8,094	6.7
Pacific Northwest	10	1,453	5,654	3.9
Western Canada	15	728	5,595	7.7
Type				
Day	64	470	3,340	7.1
Weekend	33	489	5,019	10.3
Vacation	36	1,178	10,450	8.9
Snowmaking Areas				
New England	26	234	6,457	27.6
East and Midwest	31	108	2,536	23.5
Rockies and West	42	1,112	8,739	7.9

LOCATION

Geographic Location

Table 7 shows the proportion of sample areas by VTF/hour. This table repeats the information in Tables 1 and 2 while providing more detail.

TABLE 7

LOCATION OF SKI AREAS

Region	VTF/Hour (000)	Percent
New England	251,833	22.2%
East	89,142	7.9
Midwest	30,460	2.7
Central Rockies	256,251	22.6
Northern Rockies	112,910	10.0
California and Nevada	182,122	16.1
Pacific Northwest	84,811	7.5
Western Canada	125,898	11.1
Total	*1,133,427*	*100.1%*

Proximity to Metropolitan Areas

Travel is a critical variable to the success of ski areas. With the nation-wide speed limit of 55 miles per hour, except in rural areas, and a general limit on time for day and weekend outings, proximity to markets has become more important. Table 8 illustrates this critical relationship.

Note that 64.1% of the day areas are within relatively easy commuting distance (74 miles), while a high proportion of the weekend areas require two or more hours of driving. Vacation destinations are typically in more remote locations where snow conditions are maximized, because proximity is not critical with stays of seven days or more.

TABLE 8

PROXIMITY TO METROPOLITAN AREAS (SMSAs)

Miles to Nearest SMSA	Total Sample		Day	Weekend	Vacation
	Number	*Percent*	*Percent*	*Percent*	*Percent*
0 – 24 Miles	27	20.3%	34.4%	3.0%	11.1%
25 – 49 Miles	18	13.5	12.5	21.2	8.3
50 – 74 Miles	27	20.3	17.2	27.3	19.4
75 – 99 Miles	27	20.3	20.3	9.1	30.6
100 Miles and Over	34	25.6	15.6	39.4	30.6
Total	*133*	*100.0%*	*100.0%*	*100.0%*	*100.0%*

Proximity to Other Ski Areas

Ski areas tend to be clustered near each other geographically. Part of this trend is due to natural conditions required, the terrain, snow conditions, and climate. Part may be conditioned by the existence of regional airports, interstate highway access, and the observed behavior of skiers who seek destinations where they may find a variety of skiing experiences. Table 9 illustrates the extent of this clustering.

TABLE 9

PROXIMITY OF COMPETITIVE AREAS

Number of Areas within 1 Hour Drive	Total Sample		Profitability		
	Number	*Percent*	*Top Profit (%)*	*Bottom Profit (%)*	*Loss (%)*
None	25	18.8%	15.6%	11.1%	30.2%
1	20	15.0	11.1	15.6	18.6
2 – 3	26	19.5	26.7	15.6	16.3
4 – 5	20	15.0	15.6	17.8	11.6
6 and Over	42	31.6	31.1	40.0	23.3
Total	*133*	*100.0%*	*100.0%*	*100.0%*	*100.0%*

SITE CHARACTERISTICS

Lodging Facilities

Ski areas reported lodging capacity in terms of both beds at the base area and beds within 10 miles. Table 10 summarizes this data. The number of beds at the base ranged from 0 to 25,000.

Ski areas with a large number of beds both at the base and within 10 miles continued to enjoy higher utilization and better profitability.

TABLE 10

SKI AREA LODGING CAPACITY

Number of Beds	At Base		Within 10 Miles	
	Number	*Percent*	*Number*	*Percent*
None	58	43.6%	19	14.3%
1 – 149	9	6.8	9	6.8
150 – 299	14	10.5	6	4.5
300 – 599	11	8.3	15	11.3
600 – 1,199	13	9.8	12	9.0
1,200 – 9,999	25	18.8	52	39.1
10,000 and Over	3	2.3	20	15.0
Total	*133*	*100.0%*	*133*	*100.0%*

Snowmaking

Snowmaking capability exists at 74% of the respondent areas. For areas with snowmaking, the average coverage was 134 acres, up from 131 acres in 1988–89. Average operation was 1,065 hours in 1989–90, down from 1,081 hours last year.

Terrain

In general, 47% of the slopes and trails at responding ski areas are classified "intermediate" (or "more difficult," in standard USIA terminology), while 25% are "beginner" ("easiest") and 28% "expert" ("most difficult").

BUSINESS CHARACTERISTICS

Site Ownership

Forty-one percent of the areas responding are all on private land, while 59% of the areas responding operate on public land. Forty-three percent are under permit from the U.S. Forest Service, while 8.3% lease state land, 3.8% hold Canadian leases, and 4.5% lease other public land. The average USFS permittee reports 78.8% of slope transport feet on leased land.

Table 11 illustrates the general pattern of site ownership. As would be expected, land ownership is closely associated with geographic location. Areas located wholly on private land are generally found in the East and Midwest while areas located partially or wholly on public lands are located in the Rockies or the West.

TABLE 11

SITE OWNERSHIP

OWNERSHIP	TOTAL SAMPLE	NEW ENGLAND	EAST	MIDWEST	ROCKIES	WEST
All Private	40.6%	46.2%	94.4%	100.0%	11.4%	17.5%
Public USFS Permit	42.9	23.1	0.0	0.0	82.9	55.0
State Land Lease	8.3	23.1	5.6	0.0	0.0	10.0
Canadian Lease	3.8	0.0	0.0	0.0	0.0	12.5
Other	4.5	7.7	0.0	0.0	5.7	5.0
TOTAL	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Base	133	26	18	14	35	40

Real Estate Operations

Fifty of the ski areas (37.6%) responding are engaged in some land development. Interestingly, a larger proportion of eastern areas than western areas report land development activity. See Tables 12, 53, and 54.

TABLE 12

REAL ESTATE OPERATIONS

	1989–90		1988–89	1987–88
	Number	*Percent*	*Percent*	*Percent*
Engaged in Land Development	50	37.6%	41.3%	42.0%
First Home Residential Sites	26	19.5	16.7	15.2
First Homes	7	5.3	5.8	7.2
Second Home Residential Sites	34	25.6	27.5	24.6
Second Homes	13	9.8	10.9	13.0
Condominium Sites	26	19.5	22.5	22.5
Condominiums	27	20.3	26.8	29.0
Commercial Sites	21	15.8	17.4	18.1
Commercial Buildings	10	7.5	10.1	8.7
Not Engaged in Land Development	83	62.4%	58.7%	58.0%
Base	133		138	138

OPERATIONAL CHARACTERISTICS

Years in Operation

The average ski area respondent has been operating for 30 years. Table 13 summarizes ski area age. Three new areas (2.3%) have opened within the last five years.

TABLE 13

NUMBER OF YEARS SKI AREAS HAVE BEEN IN OPERATION

YEARS OF OPERATION	1989–90		1988–89		1987–88	
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*
1 – 5 Years	3	2.3%	3	2.2%	4	2.9%
6 – 10 Years	10	7.5	11	8.0	8	5.8
11 – 15 Years	7	5.3	8	5.8	8	5.8
16 – 20 Years	9	6.8	9	6.5	16	11.6
21 – 25 Years	18	13.5	19	13.8	23	16.7
26 – 30 Years	28	21.1	30	21.7	29	21.0
31 – 35 Years	18	13.5	21	15.2	12	8.7
36 – 40 Years	6	4.5	4	2.9	9	6.5
40 Years and Over	34	25.6	33	23.9	29	21.0
TOTAL	*133*	*100.1%*	*138*	*100.0%*	*138*	*100.0%*

Length of Season

The length of the ski season is generally expressed in number of days/nights of operations and is one of the most critical variables in the success of ski areas. A high proportion of costs are fixed (i.e., depreciation, interest, property taxes, and management comprise approximately 30% of total costs), so the longer the season, the more opportunity there is to spread these costs over a greater revenue base.

Starting with the 1976–77 survey, this vital statistic was upgraded. Respondents were asked to provide their summary of daily operation in four categories: numbers of days at full operation, number of days with less than full but more than one-half of their mountain open and skiable, number of days with less than half of their mountain open and skiable, and the number of nights of operation. These breakdowns allowed the calculation of "equivalent" days of operation by weighting each response. Equivalent days of operation is the best estimate of the number of days that the ski area was fully open and skiable, a more accurate measure of capacity.

The past surveys contained an added adjustment to allow for the generally smaller night operations. Nights of operation are affected by the proportion of the ski area covered by lights and thus open for night skiing. In general, those ski areas with night skiing (42.1%) report night skiing capacity at 54.5% of day capacity. This is calculated by taking the average night capacity of 1,984 from Table 104 and dividing it by the skier capacity of 3,643 from Table 97. Thus, while the average ski area with lights was open 61.2 nights, this amounts to only 14.0 "equivalent days/nights" of full capacity operation.

Table 14 summarizes the various results. Table 15 illustrates the wide variation in actual equivalent operating days. The average ski area had an equivalent season that was 96% of actual days open (117 days divided by 122 days).

TABLE 14

EQUIVALENT DAYS AND NIGHTS OF OPERATION

Equivalent Days/Nights	1989–90		1988–89		1987–88	
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*
Less than 80	23	17.3%	18	13.0%	11	8.0%
80 – 99	20	15.0	17	12.3	27	19.5
100 – 119	31	23.3	22	15.9	22	15.9
120 – 139	22	16.5	30	21.7	39	28.3
140 – 159	19	14.3	28	20.3	12	8.7
160 and Over	18	13.5	23	16.7	27	19.6
Base	133	99.9%	138	100.0%	138	100.0%

Again, length of season is somewhat positively correlated with profitability, as the profitable areas had a season, based on equivalent days, that was 25 to 37 days longer than the loss areas. Western Canada ski areas had the longest season, averaging 136 equivalent days/nights, while the East areas had the shortest, with 101 days/nights. Indicative of the poor snow year across the nation, all regions, except New England, which increased two days, and the Central Rockies, which stayed the same, saw declines in days/nights of operation. Particularly hard hit was the Pacific Northwest, which fell from 149 days/nights in 1988–89 to 105 in 1989–90.

TABLE 15

ACTUAL VERSUS EQUIVALENT DAYS OF OPERATION

	Equivalent Days/Nights[a] of Full Operation	Days of Full Operation (100%)	Days of More Than Half (75%)	Days of Less Than Half (25%)	Total Actual Days Open
Average Ski Area	117	76	28	18	122
USFS Permittees	113	80	32	18	129
Profitability					
Top	133	91	29	17	138
Bottom	121	77	32	19	129
Loss	96	58	23	18	99
Location					
New England	123	73	32	31	136
East	101	49	30	21	103
Midwest	133	72	19	9	99
Central Rockies	111	75	40	13	128
Northern Rockies	114	102	8	6	116
California and Nevada	116	77	38	19	134
Pacific Northwest	105	61	32	22	114
Western Canada	136	101	20	13	134
Type					
Day	111	65	29	14	107
Weekend	119	76	22	27	125
Vacation	127	96	33	16	147

[a] This figure is the sum of days, open at various capacities, plus equivalent nights of operation.

Ski Area Capacity

The calculation of ski area capacity is a matter of judgment. Since the 1975–76 study, capacity parameters have been established in several ways in order to test various concepts. Total lift VTF/hour is used. Ski area operators were also asked to provide their peak day crowd count plus their estimate of their "comfortable" crowd.

The results are tabulated in Table 16. The "calculated capacity" column is based on an assumed average hourly demand in VTF/hour.

As was done last year, this year an approximated demand of 1,500 VTF/hour was used for all areas.

An analysis of Table 16 indicates that these assumptions are in general harmony with ski area operator estimates.

The calculated figures have been used in this study to compute season capacity and determine utilization. The average peak day crowds are 90% of calculated capacity. The ski area operators' estimated comfortable capacity is 86% of calculated capacity.

TABLE 16

MEASURES OF SKI AREA CAPACITY

	Peak Day Crowd	Comfortable Crowd	Calculated Capacity	Crowd as Percent of Calculated Capacity	
				Peak Crowd	*Comfortable Crowd*
Total Sample	5,122	4,865	5,681	90%	86%
USFS Permittees	5,961	5,946	7,405	80	80
Profitability					
Top	6,842	6,247	7,917	86	79
Bottom	4,884	4,803	5,626	87	85
Loss	3,571	3,482	3,399	105	102
Location					
New England	5,926	5,620	6,457	92	87
East	4,843	3,738	3,302	147	113
Midwest	2,376	2,355	1,450	164	162
Central Rockies	6,129	6,129	8,135	75	75
Northern Rockies	4,342	3,915	5,377	81	73
California and Nevada	6,121	6,606	8,094	76	82
Pacific Northwest	5,656	5,168	5,654	100	91
Western Canada	4,589	4,424	5,595	82	79
Type					
Day	3,693	3,390	3,340	111	101
Weekend	4,806	4,601	5,019	96	92
Vacation	7,952	7,728	10,450	76	74

Skier Visits

Skier visits is the physical measure of use. Table 17 summarizes skier visits reported over the past four ski seasons.

TABLE 17

SKIER VISITS/SEASON

Skier Visits	1989–90		1988–89	1987–88	1986–87
	Number	*Percent*	*Percent*	*Percent*	*Percent*
0 – 24,999 Visits	8	6.0%	5.8%	2.9%	4.5%
25,000 – 49,999 Visits	11	8.3	5.8	8.0	9.0
50,000 – 99,999 Visits	29	21.8	20.3	18.8	18.7
100,000 – 199,999 Visits	36	27.1	31.9	33.3	32.1
200,000 – 499,999 Visits	36	27.1	26.8	26.8	27.6
500,000 Visits and Over	13	9.8	9.4	10.1	8.2
Total	*133*	*100.1%*	*100.0%*	*99.9%*	*100.1%*
Average Skier Visits		*229*	*231*	*224*	*210*

Growth

The last 13 surveys contained a measure of growth. For the 14th time, the respondents were asked for their skier visit count over the past five years. This year, for the eighth time, respondents were asked for a separate count of day and night skiers. The first part of Table 18 gives the total skier visits (both day and night) reported by the 133 respondents, broken down by categories. The second part of the table gives day skier visits and the third part night skier visits, for those could provide this breakout.

Table 18 shows that the average area reported a decrease of 0.86% in skier visits in 1989–90 over 1988–89.

Geographic regions reporting an increase in skier visits were New England, the Central Rockies, and Western Canada. The other regions all reported declines.

TABLE 18

GROWTH IN USAGE

SKIER VISITS

	Base	1989–90 (000)	1988–89 (000)	1987–88 (000)	1986–87 (000)	1985–86 (000)
		TOTAL[B]				
Total Sample	133	229	231	224	215	205
USFS Permittees	57	285	302	293	281	279
Profitability						
Top	45	334	286	286	264	250
Bottom	45	244	248	181	181	167
Loss	43	103	115	174	174	178
Location						
New England	26	271	261	269	264	219
East	18	158	162	196	193	174
Midwest	14	69	70	66	60	66
Central Rockies	21	358	350	345	362	339
Northern Rockies	14	181	214	164	161	146
California and Nevada	15	282	307	279	228	297
Pacific Northwest	10	185	211	244	240	189
Western Canada	15	231	198	147	138	134
Type						
Day	64	131	140	141	135	125
Weekend	33	183	239	274	248	244
Vacation	36	445	421	386	382	364

Continued ...

TABLE 18 (CONTINUED)

GROWTH IN USAGE

SKIER VISITS[a]

	Base	1989–90 (000)	1988–89 (000)	1987–88 (000)	1986–87 (000)	1985–86 (000)
		D A Y				
Total Sample	129	218	216	213	206	198
USFS Permittees	57	278	298	286	274	274
Profitability						
Top	43	327	268	269	248	238
Bottom	44	236	232	173	175	163
Loss	42	89	108	171	172	178
Location						
New England	26	250	242	239	242	205
East	17	136	132	159	159	142
Midwest	14	50	47	48	44	48
Central Rockies	20	372	350	344	362	339
Northern Rockies	14	177	203	158	156	141
California and Nevada	15	277	313	282	228	304
Pacific Northwest	10	160	191	210	207	163
Western Canada	13	231	187	153	143	142
Type						
Day	62	114	121	123	118	111
Weekend	33	165	220	257	231	231
Vacation	34	460	417	393	389	371
		N I G H T				
Total Sample	52	36	35	39	39	34
USFS Permittees	13	28	22	30	33	26
Profitability						
Top	15	45	44	51	48	40
Bottom	16	35	32	34	37	33
Loss	21	30	24	15	15	13
Location						
New England	8	68	62	67	68	51
East	11	47	50	57	54	50
Midwest	13	21	23	20	20	20
Central Rockies	1	13	7	6	3	0
Northern Rockies	4	14	26	17	16	16
California and Nevada	3	25	17	18	20	15
Pacific Northwest	8	31	24	41	40	32
Western Canada	4	35	35	16	15	14
Type						
Day	33	36	34	40	39	34
Weekend	16	37	36	41	45	38
Vacation	3	28	40	18	18	15

[a] Day Skier Visits plus Night Skier Visits will not equal the Total Skier Visits because not all areas provided a Day/Night breakdown. Night Skier Visits are only for those areas operating at night which could provide separate data for Day and Night Skier Visits.

ECONOMIC CHARACTERISTICS

Ski Lift Prices

Respondents listed their adult weekday and weekend all-day lift ticket prices (which are typically the highest prices quoted because of discounts for students; children; military; three, five and seven day packages; promotions; races; and senior citizens) and their weekday and weekend night ticket prices and season pass rates. Table 19 summarizes these prices and compares them with actual average lift ticket revenue per skier visit.

TABLE 19

SKI LIFT TICKET PRICES AND AVERAGE LIFT TICKET REVENUE/SKIER VISIT

	1989–90	1988–89	1987–88	1986–87
Ski Lift Ticket Price				
Day Weekend	$ 27.20	$ 25.03	$ 23.36	$ 21.51
Day Weekday	24.34	22.54	20.93	19.80
Night Weekend	15.67	13.37	13.34	12.75
Night Weekday	14.83	12.83	12.75	11.99
Season Pass	455.84	443.17	427.27	382.42
AVERAGE SKI LIFT TICKET REVENUE/SKIER VISIT	*$ 20.27*	*$ 18.77*	*$ 17.09*	*$ 15.89*
REALIZED REVENUE VS. WEEKEND DAY PRICE	*74.5%*	*75.0%*	*73.2%*	*73.9%*

Table 20 illustrates the range of ski lift ticket prices. Prices ranged from a low of $14.00 to a high of $47.00. Eighty-nine percent of the ski areas responding charged $20 or more for their adult weekend lift tickets, 70.7%, $24 or more, and 38.4%, $30 or more.

TABLE 20

ADULT, ALL-DAY WEEKEND SKI LIFT TICKET PRICES

TICKET PRICE	1989–90		1988–89	1987–88	1986–87	1985–86
	Number	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Less than $16.00	2	1.5%	3.6%	5.7%	11.1%	14.5%
$16.00 – 17.99	5	3.8	5.8	10.9	10.4	12.1
$18.00 – 19.99	8	6.0	10.1	8.7	17.2	18.5
$20.00 – 21.99	14	10.5	10.9	16.7	12.7	13.7
$22.00 – 23.99	10	7.5	8.7	7.2	11.9	14.5
$24.00 – 25.99	16	12.0	15.9	12.3	15.7	13.7
$26.00 – 27.99	14	10.5	7.2	16.7	11.2	8.9
$28.00 – 29.99	13	9.8	10.9	9.4	6.0	4.0
$30.00 – 31.99	12	9.0	11.6	5.1	3.0	0.0
$32.00 – 33.99	17	12.8	8.0	6.5	0.7	0.0
$34.00 – 35.99	11	8.3	7.2	0.7	0.0	0.0
$36.00 – 37.99	10	7.5	0.0	0.0	0.0	0.0
$38.00 and Over	1	0.8	0.0	0.0	0.0	0.0
TOTAL	*133*	*100.0%*	*99.9%*	*99.9%*	*99.9%*	*99.9%*

Profits

Seventy-one (53.4%) of the 133 ski areas reported profits before tax in 1989–90, compared to 65.9% percent in 1988–89. Chapter V provides a complete analysis of profitability and its probable causes. Table 21 summarizes dollar returns.

TABLE 21

DOLLARS OF PROFIT (BEFORE TAX)

	1989–90		1988–89	1987–88	1986–87	1985–86
PROFIT	*Number*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Loss	62	46.6%	34.1%	29.7%	38.1%	41.9%
$0 – 24,999	5	3.8	2.9	4.3	1.5	4.0
$25,000 – 49,999	3	2.3	5.1	4.3	3.0	4.8
$50,000 – 99,999	5	3.8	2.9	4.3	6.7	3.2
$100,000 – 149,999	3	2.3	2.2	5.8	3.0	5.6
$150,000 – 249,999	8	6.0	8.0	8.0	12.7	5.6
$250,000 – 349,999	4	3.0	5.1	2.2	3.0	6.5
$350,000 – 999,999	15	11.3	15.9	18.1	13.4	11.3
$1,000,000 – 1,999,999	12	9.0	8.7	15.2	10.4	11.3
$2,000,000 – 9,999,999	14	10.5	14.5	8.0	8.2	5.6
$10,000,000 and Over	2	1.5	0.7	0.0	0.0	0.0
TOTAL	*133*	*100.1%*	*100.0%*	*99.9%*	*100.0%*	*99.8%*

Non-Skiing Activities

Table 22 summarizes the variety and extent of other recreational activities offered at ski areas and describes the activities that are offered near the ski areas. Ski touring is the most prevalent activity offered at the areas, followed by swimming and tennis. Snowmobiling ranks first among activities offered at nearby areas, followed by golf, ice skating, and swimming. Tennis, water sports, and ski touring are next, tied at 57.1%. Tobogganing and sledding are offered nearby at 51.9%.

TABLE 22

OTHER ACTIVITIES AVAILABLE AT SKI AREAS AND NEARBY

Activity	Total Sample	Day	Weekend	Vacation
	AREAS OFFERING ACTIVITY			
Tobogganing/Sledding	4.5%	3.1%	6.1%	5.6%
Snowmobiling	3.0	1.6	3.0	5.6
Ice Skating	9.0	3.1	9.1	19.4
Ski Touring	42.1	31.3	42.4	61.1
Golf	16.5	4.7	24.2	30.6
Tennis	27.1	12.5	36.4	44.4
Swimming	30.1	15.6	39.4	47.2
Water Sports	9.8	6.3	15.2	11.1
Summer Slide	12.0	6.3	18.2	16.7
Other	23.3	15.6	24.2	36.1
	ACTIVITY OFFERED NEARBY			
Tobogganing/Sledding	51.9%	51.6%	51.5%	52.8%
Snowmobiling	71.4	64.1	75.8	80.6
Ice Skating	60.9	51.6	69.7	69.4
Ski Touring	57.1	59.4	63.6	47.2
Golf	66.2	68.8	63.6	63.9
Tennis	57.1	59.4	54.5	55.6
Swimming	59.4	62.5	57.6	55.6
Water Sports	57.1	46.9	72.7	61.1
Summer Slide	28.6	21.9	36.4	33.3
Other	21.1	18.8	27.3	19.4

COMPUTER USE

Respondents were asked to provide information about computer usage at their ski areas (Table 23). In 1989–90, 95.5% of the respondents reported use of a computer. The most popular applications continue to be accounts payable, payroll, and accounts receivable. Popular answers reported under other were general ledger, financial statements, mailing lists, word processing, reservations, inventory, budgets, and snowmaking.

In 1989–90, 65 different brands or models were mentioned. Several areas also reported using more than one computer. The computer models mentioned most often were microcomputers and minicomputers, including IBM (PC, XT, AT, S36), Apple (Macintosh), Compaq, Kaypro, Hewlett Packard, and DEC. IBM is the most used brand.

TABLE 23

COMPUTER USE AND APPLICATIONS

		1989–90		1988–89	
		Number	*Percent*	*Number*	*Percent*
COMPUTER USE					
Use/Do Not Use					
Use a Computer		126[a]	95.5%	129[a]	93.5%
Do Not Use a Computer		6	4.5	9	6.5
	TOTAL	*132*	*100.0%*	*138*	*100.0%*
Type of Computer Access					
Own a Computer		121	91.7%	120	93.0%
Timeshare a Computer		1	0.8	3	2.3
Lease		0	0.0	0	0.0
No Answer		10	7.6	6	4.7
	TOTAL	*132*	*100.1%*	*129*	*100.0%*
APPLICATION USE					
Payroll		97	77.0%	102	79.1%
Accounts Receivable		95	75.4	89	69.0
Accounts Payable		113	89.7	110	85.3
Forecasting		76	60.3	67	51.9
Market Research		57	45.2	58	45.0
Ticket Sales		72	57.1	71	55.0
Other		88	69.8	85	65.9
Base		126		129	

[a] This group forms the base for the Application Use section of this table.

CREDIT CARD USE

For the first time, a question was asked about the acceptance of credit cards. As expected, credit cards were widely accepted, with 98% of the areas responding that they accept credit cards. The most widely accepted cards were Visa, at 115 areas, MasterCard, at 114 areas, American Express, at 86 areas, Discover, at 31 areas, and Diner's Club, at 14 areas.

III

SKI AREA FINANCIAL DATA

Each ski area was asked to provide the following financial data on their 1989–90 season: (1) income statement, (2) departmental revenue and expense, and (3) balance sheet. From this information, average area financial statements were developed to measure the industry's financial performance. The data summarized here for the 1989–90 season represents 133 ski areas that provided complete, usable data representing 12 months of income and expenses.

The 133 ski areas include 111 in the United States and 22 in Canada. Since the U.S. respondents represent approximately 49.7% of the skier visits in the United States, according to the USIA End of Season Survey, we have used this figure to estimate the total activity in the United States. If this relationship holds for the balance of the skier visits, then the ski area business in the United States has an investment of some $3.23 billion, processes revenues of $1.88 billion, and has an annual payroll (direct labor) of $387.3 million.

This chapter first presents the average income statement (Table 24) and the average area lift and revenue expense statement (Table 25) in the traditional format of previous reports. This is followed by an extensive analysis of the income statement in a non-traditional way which the authors believe will be more meaningful to ski area operators. Readers will note that the data are the same except for the revenue figure, which has been adjusted (because of concession operations) to make the data more comparable. Also, this more extensive analysis includes a separate column on the 57 areas in the study operating with a USFS permit.

AVERAGE SKI AREA INCOME STATEMENTS

Table 26 is the composite-average income statement referred to above. The format is somewhat non-typical due to the varying practices of ski area operators. Total revenue is the total of gross lift department revenue plus either gross margin or contributions from all other departments. It is believed that in this manner one can more fairly combine ski areas that have only some of the supporting operations with those who concession them, and thus report only net concession revenue, and with those who operate their own schools, shops, restaurants, and real estate business. Details of these supporting operations may be found in Chapter VI.

Table 27 is a summary of gross revenue, concession revenue, and direct operating costs. It is included to illustrate how the supporting margins were calculated. The breakdowns shown in Chapter VI are much more accurate for illustrating typical departmental cash flows, since Table 27 includes all areas in the average, including those who do not operate such a department. While they are statistically accurate, they are non-typical.

TABLE 24

AVERAGE AREA INCOME STATEMENT
(000)

	1989–90		1988–89		1987–88	1986–87
	Total	*Percent*	*Total*	*Percent*	*Percent*	*Percent*
REVENUE	***$8,847***	***100.0%***	***$7,951***	***100.0%***	***100.0%***	***100.0%***
Direct Expense						
Direct Labor[a]	$1,805	20.4%	$1,635	20.6%	20.1%	20.8%
Other Direct Expenses[b]	2,775	31.4	2,369	29.8	31.0	32.2
TOTAL DIRECT EXPENSES	*4,580*	*51.8%*	*4,004*	*50.4%*	*51.1%*	*52.9%*
GROSS MARGIN	***$4,266***	***48.2%***	***$3,948***	***49.7%***	***48.9%***	***47.1%***
Other Expenses						
General and Administrative	$ 925	10.5%	$ 853	10.7%	10.5%	10.9%
Marketing (advertising, public relations, promotion, etc.)	475	5.4	417	5.2	5.2	5.5
Insurance (property, liability)	336	3.8	373	4.7	5.5	5.6
Land Use Fees (public)	105	1.2	79	1.0	1.1	1.3
Land Use Fees (private)	35	0.4	60	0.8	0.6	0.2
Property Taxes	144	1.6	119	1.5	1.6	1.6
Interest	591	6.7	461	5.8	5.9	6.7
Depreciation and Amortization	934	10.6	741	9.3	10.0	11.1
Miscellaneous Expense	182	2.1	143	1.8	3.4	2.3
TOTAL OTHER EXPENSES	*$3,726*	*42.1%*	*$3,246*	*40.8%*	*43.8%*	*45.1%*
PRE-TAX PROFIT (LOSS)	***$ 540***	***6.1%***	***$ 701***	***8.8%***	***5.1%***	***1.9%***
Base	133		138		138	134

[a] Includes direct labor and snowmaking labor.

[b] Includes cost of goods sold, payroll taxes, property operations, snow removal, snowmaking (except labor) and other direct expenses.

TABLE 25

AVERAGE AREA LIFT REVENUE AND EXPENSE
(000)

	1989–90		1988–89		1987–88	1986–87
	Total	*Percent*	*Total*	*Percent*	*Percent*	*Percent*
Lift Revenue						
Winter	$4,639	98.7%	$4,326	98.3%	98.7%	98.6%
Summer	60	1.3	74	1.7	1.3	1.4
TOTAL LIFT REVENUE	***$4,698***	***100.0%***	***$4,399***	***100.0%***	***100.0%***	***100.0%***
Lift Expense						
Direct Labor (Winter)[a]						
Lift	$ 242	5.2%	$ 224	5.1%	5.2%	5.1%
Ski Patrol	111	2.4	104	2.4	2.3	2.6
Slope Maintenance	100	2.1	92	2.1	2.1	2.1
Maintenance and Repair	144	3.1	135	3.1	3.2	3.2
Ticket Sales	65	1.4	55	1.3	1.2	1.2
Other	62	1.3	52	1.2	1.0	1.2
TOTAL DIRECT LABOR (WITER)	*$ 723*	*15.4%*	*$ 662*	*15.0%*	*15.0%*	*15.4%*
DIRECT LABOR (SUMMER)	*$ 42*	*0.9%*	*$ 35*	*0.8%*	*0.9%*	*0.9%*
OTHER DIRECT EXPENSE	*$ 634*	*13.5%*	*$ 591*	*13.4%*	*12.5%*	*13.7%*
TOTAL LIFT EXPENSE	***$1,399***	***29.8%***	***$1,287***	***29.3%***	***28.4%***	***30.0%***
GROSS MARGIN—LIFTS	***$3,300***	***70.2%***	***$3,112***	***70 .7%***	***71.6%***	***70.0%***
Base	133		138		138	134

[a] Does not include payroll taxes.

Composite-Average Income Statements

This format also differs slightly by showing an "operating profit (loss)" before subtracting interest expense. It is believed that the comparison of this figure with gross fixed assets (GFA) is one of the best overall measures of industry profitability. Interest expense varies from $0 to $7.3 million; while it is viewed as a critical and significant cost of doing business, it is also viewed as part of the cost of capital. Some areas are subsidiaries of larger corporations, some beneficiaries of public funding, and many carry an added burden of past operating losses. A fair assessment of current operations requires both an analysis of before-tax and before-interest return on GFA and an analysis of profit as a percent of equity.

Tables 28 and 29 provide comparisons between expenses, revenues, and investment (GFA). One generally uniform factor involves the depreciation to gross fixed assets of around 6%, or 16 years average life.

REVENUE

Average revenue, as shown in Table 26, was up 9.2%. A check of the 1989–90 results using the revenue to GFA utilization versus the utilization rule developed in the 1974–75 report shows the following:

REVENUE / GFA VERSUS PERCENT UTILIZATION

	Total Revenue to GFA	/	Percent Utilization	=	Factor	Judgment
All Ski Areas	40%	/	31%	=	1.29	Good
Top Half Profit	50%	/	30%	=	1.67	Excellent
Bottom Half Profit	34%	/	35%	=	0.97	Poor
Loss	27%	/	30%	=	0.90	Poor

This rule-of-thumb measure summarizes all of the critical economic variables (capacity, utilization, length of season, revenue per skier visit) and relates them to investment. When the revenue/GFA ratio exceeds utilization, the component variables are in balance. When utilization exceeds the revenue/GFA ratio, one or more component variables are impairing a ski area's ability to make profits commensurate with the risks. This factor analysis is derived from the income potential to capital cost (GFA) ratio used to evaluate the conceptual feasibility of a new or expanded ski area.

The 1989–90 ratio of revenue to GFA (40%) is a slight decrease over the 1988–89 figure of 41%. This subject is discussed in more detail in Chapter V.

EXPENSES

Direct operating expenses (ski lift direct expense, ski lift payroll taxes, and property operation) were up 13.0%. (See Table 26.)

BALANCE SHEET

Balance sheet data is summarized in Table 30. The basic balance sheet data remained unchanged. Working capital is adequate, and the current ratio is an adequate 1.2/1.

Table 31 summarizes the traditional measures of business health.

U.S. FOREST SERVICE PERMITTEES

Again, the 1989–90 study contained a separate computer run for the 57 ski areas operating with a USFS special use permit.

The average profile differs mainly in geographic location, size, and length of season. The economic characteristics and financial performance indicators are fairly similar to other areas. USFS permittees are found mainly in the Rockies and the West, and they are more heavily represented among the vacation destination ski areas at some distance from population centers.

TABLE 26

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT

	1989–90 Total (000)	1988–89 Total (000)	Percent Change	1989–90 USFS Permittees	Your Ski Area
Gross Fixed Assets	***$15,381***	***$13,842***	***11.1%***	***$18,103***	$_____
Revenue					
Ski Lift Gross—Winter	$ 4,639	$ 4,326	7.2%	$5,987	$_____
Ski Lift Gross—Summer	60	74	– 18.9	61	_____
Supporting Margin—Winter	1,005	981	2.4	1,134	_____
Supporting Margin—Summer	84	63	33.3	20	_____
Year-Round Margin	394	215	83.3	254	_____
Total Revenue	***$ 6,181***	***$ 5,658***	***9.2%***	***$7,457***	$_____
Expenses and Allocations					
Ski Lift Direct Expense	$ 1,265	$ 1,153	9.7%	$1,557	$_____
Payroll Taxes	133	135	– 1.5	203	_____
Property Operation	231	154	50.0	291	_____
Subtotal, Expenses and Allocations	*$ 1,629*	*$ 1,442*	*13.0%*	*$2,051*	$_____
Operations Margin	***$ 4,552***	***$ 4,217***	***7.9%***	***$5,407***	$_____
Common Expenses					
General and Administrative	$ 925	$ 853	8.4%	$1,197	$_____
Marketing (advertising, public relations, promotion, etc.)	475	417	13.9	567	_____
Insurance (property, liability)	336	373	– 9.9	432	_____
Land Use Fees (public)	105	79	32.9	206	_____
Land Use Fees (private)	35	60	– 41.7	13	_____
Property Taxes	115	102	12.7	161	_____
Other Taxes (except income)	28	18	55.6	42	_____
Snowmaking	269	251	7.2	205	_____
Snow Removal	17	18	– 5.6	26	_____
Miscellaneous	182	143	27.5	228	_____
Depreciation and Amortization	934	741	26.1	1,227	_____
Subtotal, Common Expenses	*$ 3,421*	*$ 3,054*	*12.0%*	*$4,304*	$_____
Operating Profit (Loss)	***$ 1,131***	***$ 1,163***	***– 2.7%***	***$1,103***	$_____
Interest Expense	*$ 591*	*$ 461*	*28.2%*	*$ 701*	$_____
Profit (Loss)Before Tax	***$ 540***	***$ 701***	***– 23.0%***	***$ 402***	$_____
Base	133	138		57	

TABLE 27

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT
(000)

	PLUS		LESS				EQUALS
	Gross Sales	*Concession Revenue*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*
Winter Season							
Ski Lift Department	$4,639	$ —	$ —	$ 723	$ 468	$128	$3,320
Ski School	546	2	—	248	43	49	208
Food Service	736	24	235	186	80	29	229
Bar	196	8	49	36	21	5	92
Retail Store	359	21	190	47	23	8	111
Rental Shop	306	15	41[a]	60	22	12	186
Accommodations	372	3	—	98	131	22	124
Other	217	4	8	90	47	22	54
SUBTOTAL, WINTER	*$7,370*	*$ 76*	*$523*	*$1,488*	*$ 835*	*$275*	*$4,325*
Year-Round							
Real Estate	$ 677	$ 0	$211	$ 18	$ 164	$ 2	$ 282
Utility	44	0	—	18	24	4	(2)
Miscellaneous	158	0	11	12	21	1	114
SUBTOTAL, YEAR-ROUND	*$ 880*	*$ 1*	*$223*	*$ 48*	*$ 208*	*$ 7*	*$ 394*
Summer Season							
Lift Department	$ 60	$ —	$ —	$ 42	$ 33	$ 5	$ (20)
Food Service	134	4	46	53	20	8	11
Retail Store	36	2	20	9	4	1	3
Sports Department	72	1	—	24	20	3	26
Accommodations	98	0	—	40	33	6	19
Summer Slide	69	0	0	18	10	3	38
Other	44	0	1	19	32	6	(14)
SUBTOTAL, SUMMER	*$ 514*	*$ 7*	*$ 67*	*$ 204*	*$ 152*	*$ 34*	*$ 64*
PROPERTY OPERATION COSTS							*$ 231*
TOTAL	*$8,763*	*$ 83*	*$813*	*$1,740*	*$1,195*	*$316*	*$4,552*[b]
Base	133	133	133	133	133	133	133

[a] Represents retirement and replacement of rental equipment.

[b] This figure does not include property operation.

TABLE 28

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT

PERCENT OF REVENUE

	1989–90 Total	1988–89 Total	1989–90 USFS Permittees	Your Ski Area
Revenue				
Ski Lift Gross—Winter	75.0%	76.5%	80.3%	_____%
Ski Lift Gross—Summer	1.0	1.3	0.8	_____
Supporting Margin—Winter	16.3	17.3	15.2	_____
Supporting Margin—Summer	1.4	1.1	0.3	_____
Year-Round Margin	6.4	3.8	3.4	_____
Total Revenue	***100.0%***	***100.0%***	***100.0%***	_____%
Expenses and Allocations				
Ski Lift Direct Expense	20.4%	20.4%	20.9%	_____%
Payroll Taxes	2.2	2.4	2.7	_____
Property Operation	3.7	2.7	3.9	_____
Subtotal, Expenditures	*26.4%*	*25.5%*	*27.5%*	_____%
Operations Margin	***73.6%***	***74.5%***	***72.5%***	_____%
Common Expenses				
General and Administrative	15.0%	15.1%	16.0%	_____%
Marketing (advertising, public relations, promotion, etc.)	7.7	7.4	7.6	_____
Insurance (property, liability)	5.4	6.6	5.8	_____
Land Use Fees (public)	1.7	1.4	2.8	_____
Land Use Fees (private)	0.6	1.1	0.2	_____
Property Taxes	1.9	1.8	2.2	_____
Other Taxes (except income)	0.5	0.3	0.6	_____
Snowmaking	4.3	4.4	2.7	_____
Snow Removal	0.3	0.3	0.3	_____
Miscellaneous	2.9	2.5	3.1	_____
Depreciation and Amortization	15.1	13.1	16.5	_____
Subtotal, Common Expenses	*55.4%*	*54.0%*	*57.8%*	_____%
Operating Profit (Loss)	***18.3%***	***20.5%***	***14.8%***	_____%
Interest Expense	*9.6%*	*8.2%*	*9.4%*	_____%
Profit (Loss)Before Tax	***8.7%***	***12.4%***	***5.4%***	_____%
Base	133	138	57	

TABLE 29

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT

PERCENT OF GROSS FIXED ASSETS

	1989–90 Total	1988–89 Total	1989–90 USFS Permittees	Your Ski Area
Gross Fixed Assets	*100.0%*	*100.0%*	*100.0%*	_____%
Revenue				
Ski Lift Gross—Winter	30.2%	31.3%	33.1%	_____%
Ski Lift Gross—Summer	0.4	0.5	0.3	_____
Supporting Margin—Winter	6.5	7.1	6.3	_____
Supporting Margin—Summer	0.5	0.5	0.1	_____
Year-Round Margin	2.6	1.6	1.4	_____
Total Revenue	*40.2%*	*40.9%*	*41.2%*	_____%
Expenses and Allocations				
Ski Lift Direct Expense	8.2%	8.3%	8.6%	_____%
Payroll Taxes	0.9	1.0	1.1	_____
Property Operation	1.5	1.1	1.6	_____
Subtotal, Expenses and Allocations	*10.6%*	*10.4%*	*11.3%*	_____%
Operations Margin	*29.6%*	*30.5%*	*29.9%*	_____%
Common Expenses				
General and Administrative	6.0%	6.2%	6.6%	_____%
Marketing (advertising, public relations, promotion, etc.)	3.1	3.0	3.1	_____
Insurance (property,liability)	2.2	2.7	2.4	_____
Land Use Fees (public)	0.7	0.6	1.1	_____
Land Use Fees (private)	0.2	0.4	0.1	_____
Property Taxes	0.7	0.7	0.9	_____
Other Taxes (except income)	0.2	0.1	0.2	_____
Snowmaking	1.7	1.8	1.1	_____
Snow Removal	0.1	0.1	0.1	_____
Miscellaneous	1.2	1.0	1.3	_____
Depreciation and Amortization	6.1	5.3	6.8	_____
Subtotal, Common Expenses	*22.2%*	*22.1%*	*23.7%*	_____%
Operating Profit (Loss)	*7.4%*	*8.4%*	*6.1%*	_____%
Interest Expense	*3.8%*	*3.3%*	*3.9%*	_____%
Profit (Loss)before Tax	*3.5%*	*5.1%*	*2.2%*	_____%
Base	133	138	57	

TABLE 30

AVERAGE SKI AREA FINANCIAL DATA—BALANCE SHEET

	1989–90 (000)	1989–90 Total Percent	1988–89 (000)	1988–89 Total Percent	USFS Permittees (000)
Assets					
Current Assets	$ 1,707	12.9%	$ 1,536	13.1%	$ 2,098
Gross Fixed Assets	15,862	120.0	14,603	124.4	18,691
Minus: Depreciation	(6,104)	(46.2)	(5,805)	(49.5)	(7,785)
Other Assets	1,748	13.2	1,404	12.0	2,281
Total Assets	***$13,213***	***100.0%***	***$11,738***	***100.0%***	***$15,284***
Liabilities					
Current Liabilities	$ 1,467	11.1%	$ 1,308	11.1%	$ 1,836
Long-Term Debt	4,435	33.6	4,344	37.0	5,367
Subordinated Debt	1,508	11.4	1,180	10.1	1,776
Deferred Taxes	224	1.7	226	1.9	140
Other Liabilities	331	2.5	589	5.0	198
Subtotal, Liabilities	***$ 7,965***	***60.3%***	***$ 7,647***	***65.1%***	***$ 9,317***
Net Worth					
Invested	$ 3,571	27.0%	$ 2,790	23.8%	$ 4,087
Retained Earnings	1,716	13.0	1,379	11.7	1,893
Minus: Treasury Stock	(39)	(0.3)	(79)	(0.7)	(13)
Subtotal, Net Worth	***$ 5,248***	***39.7%***	***$ 4,091***	***34.9%***	***$ 5,967***
Total Liabilities and Net Worth	***$13,213***	***100.0%***	***$11,738***	***100.0%***	***$15,284***
Base	127		125		57

TABLE 31

BALANCE SHEET RATIOS

	1989–90	1988–89	1987–88	1986–87
Net Working Capital (000)	$240	$227	$461	$433
Current Ratio	1.2/1	1.2/1	1.4/1	1.4/1
Percent Debt	52%	55%	65%	63%
Percent Equity	48%	45%	35%	37%
Debt to Cash Flow	4.0X	3.8X	4.6X	5.7X

IV

ECONOMIC RATIOS

The 1973–74 study introduced the economic ratios contained in this chapter. The objective was to identify and summarize three measures of profitability and five critical variables that help to explain performance.

The reader is again cautioned to review the precise definitions of terms contained in Appendix C. There is a myriad of different methods of measuring profitability and performance. These eight critical ratios were developed by Ted Farwell, a member of the USIA Economic Study Committee. They do not purport to be the only system, but rather to be one simple method of analyzing operating results.

Table 32 summarizes the eight critical ratios and illustrates the data required to construct each ratio. The source of these figures are Tables 26 and 30. There are similar tables in the subsequent chapters, presenting the eight critical variables in terms of profitability, geographic region, size, type, days of operation, and snowmaking and night operations.

Once again, separate utilization percentages are reported for day and night, in addition to the figure for average utilization. The data reported for day utilization and night utilization is based on information reported by those areas that could provide a breakdown between day and night skier visits.

HOW TO CALCULATE THE RATIOS

The following text notes refer to Table 32 and to related tables in subsequent chapters. Most of the variables used in these calculations are noted in the "Construction Key" column of this table. Others are obtained from Tables 18, 26, and 30.

1. **Debt to cash flow** is a rough measure of the number of years that will be required at this cash flow to retire debt. This ratio is calculated by dividing the total **long-term debt (M)** (not including current liabilities) by the **before-tax cash flow (I)**. Before-tax cash flow is calculated by adding back the non-cash expense of **depreciation (H)** to the **profit (loss) before tax (G)**.

2. **Operating profit on GFA** is, in our opinion, the primary ratio to describe profitability. Since it is a ratio before financing costs, it allows for the comparison of operating results between areas with conservative management and minimum debt and those with maximum leverage. It also eliminates the swings in profitability occasioned by the accumulation of several years of losses into the balance sheet. This ratio is calculated by dividing the **operating profit (loss)** (**J**) by the **gross fixed assets** (**L**). Operating profit is calculated before interest expense.

3. **Profit (before tax) on equity** is the second measure of profitability and is the closest one can come, when considering ski areas, to the traditional "return on equity" measure of business profitability. Traditional measures are in "after-tax" returns. However, two characteristics of the ski industry make after-tax calculations next to meaningless:

   a. Many ski areas are subsidiaries of larger corporations, and the tax consequences of their ski area profits (losses) are lost in the consolidation.

   b. Many ski areas have loss-carry-forward balances to offset current profits, and their current taxes would not reflect normal operations.

   In general, the reader seeking the comparable "after-tax" return may approximate this by cutting the before-tax figure in half (considering both federal and state income tax liabilities).

   This ratio is calculated by dividing **profit (loss) before tax** (**G**) by **equity** (**N**). Equity equals invested capital plus retained earnings minus treasury stock (Table 30).

   The reader should be aware that, because of the areas' accumulated losses, 38.6% of the respondents reported negative retained earnings, and 8.6% showed no invested capital.

4. **Average utilization** measures actual skier visits as a percentage of season capacity skier visits. **Season capacity** skier visits (**E**) is an average of reporting ski areas' season capacities. A ski area's season capacity is computed as the product of the ski area's calculated capacity and its equivalent day/nights of operation.

   The average utilization measure had somewhat limited usefulness in the earliest studies in this series. The 1975-76 survey included a more meaningful estimate of capacity: respondents reported both the number of days when all ski lifts were open and the number of days when operations were limited (and the degree of limitation) due to lack of snow or other capacity-limiting factors. The 1976–77 survey included nights of operation and the proportion of the area open at night. Since 1977–78, the survey has incorporated both of these refinements. Actual days/nights of operation are thus adjusted downward to create "equivalent days/nights of operation."

Average utilization is calculated by dividing **actual skier visits** (**F**) by computed **season capacity** (**E**). Utilization is expressed as a percentage of available season capacity. Please note that average **skier capacity** (**C**) times average equivalent **days/nights of operation** (**D**) will not equal average **season capacity** (**E**). This is because **season capacity** (**E**) is the average of all responding areas' individual season capacities and is, of course, weighted by both the sizes of the areas and the lengths of their seasons.

5. **Days/nights of operation** (Table 4) are the *equivalent* days and nights that ski areas were open and operating. Theoretically, when computing season capacity, one assumes that all lifts and trails are open each operating period, or, at least, each area is capable of handling the "comfortable capacity" crowd each period that they are operating. Because this is not always true, all studies since 1975–76 have adjusted for this factor by computing and reporting *equivalent* days/nights of operation. The number of actual days/nights of operation is adjusted according to the proportion of the area that is open and skiable (all, more than half, less than half) and according to the proportion of the area that is covered by lights and thus open for night skiing. Days/nights of operation was selected as one of eight critical variables to highlight its important effect on profitability.

6. The **capital cost/capacity** ratio is designed to provide a relative measure of a ski area's site, design, and construction attributes. This ratio is calculated by dividing the **GFA** (**L**) by the daily, calculated **skier capacity** (**C**). The rationale for obtaining a skier capacity measure was discussed earlier, and judgments may be evaluated by referring to Table 16.

7. The **operating cost/capacity** ratio is designed as a comparable method of measuring operating cost efficiency. This measure reduces all the cash operating costs (excluding depreciation and interest) to a common denominator. It is calculated by dividing **cash operating costs** (**K**) by **season capacity** (**E**). Costs are thus reduced to the cost of providing one skier (capacity) with one equivalent day/night of operation. In general, a ski area with a higher-than-average cash operating cost/season capacity ratio in its appropriate size, location, or operating days category (see subsequent chapters) may well benefit by taking a close look at expenses.

8. **Total revenue/skier visit** is a measure of the actual revenue received by the ski area from each skier each day. The definition is very important to assess the usefulness of this measure. *Revenue* includes both gross revenue from ski lift ticket sales and the margin, or contribution, from the other typical supporting services. This method was selected in order to equate ski areas who concession some or all of these supporting service operations, and thus report only a concession fee, with those who operate each service as a department.

This index is calculated by dividing revenues by skier visits; however, this measure does not use either accommodations or year-round or summer revenues, as they do not relate directly to skier visits.

TABLE 32

ECONOMIC RATIOS

Text Note	Factor or Ratio	Construction Key	Total 1989–90	Total 1988–89	Percent Change	1989–90 USFS Permittees	Your Ski Area
		KEY FACTORS					
	VTF/Hour (000)[a]	A	8,522	8,043	6.0%	11,108	_____
	VTF/Hour—Demand/Skier Capacity	B	1,500	1,500	—	1,500	_____
	Skier Capacity[b]	C	5,681	5,362	5.9%	7,405	_____
	Days/Nights of Operation[c]	D	117	125	– 6.4%	113	_____
	Season Capacity (000)	E	727	706	3.0%	960	_____
	Day Season Capacity (000)		675	657	2.7%	931	_____
	Night Season Capacity (000)		128	110	16.4%	139	_____
	Actual Skier Visits (000)[a]	F	229	231	– 0.9%	285	_____
	Day Skier Visits (000)[c]		218	216	0.9%	278	_____
	Night Skier Visits (000)[c]		36	35	2.9%	28	_____
	Profit (Loss) before Tax (000)[d]	G	$540	$ 701	– 23.0%	$402	$_____
	Plus: Depreciation (000)[d]	H	$934	$ 741	26.0%	$1,227	$_____
	Before-Tax Cash Flow (000)[e]	I	$1,474	$ 1,442	2.2%	$1,630	$_____
	Operating Profit (Loss) (000)[d]	J	$1,131	$ 1,163	– 2.8%	$1,103	$_____
	Cash Operating Costs (000)[f]	K	$4,116	$ 3,755	9.6%	$5,127	$_____
	Gross Fixed Assets (000)[d]	L	$15,381	$13,842	11.1%	$18,103	$_____
	Long-Term Debt (000)[g]	M	$5,943	$ 5,524	7.6%	$7,143	$_____
	Equity (000)[h]	N	$5,248	$ 4,091	28.3%	$5,967	$_____

Continued ...

TABLE 32 (CONTINUED)

ECONOMIC RATIOS

Text Note	Factor or Ratio	Total 1989–90	Total 1988–89	Percent Change	1989–90 USFS Permittees	Your Ski Area
	CRITICAL RATIOS					
1,A	*Health (Debt to Cash Flow)*[i]	4.0X	3.8X	5.3%	4.4X	!____X
B	*Profitability*					
2	Operating Profit on GFA[j]	7.4%	8.4%	– 11.9%	6.1%	_____%
3	Profit (BT) on Equity[k]	10.3%	17.1%	– 39.8%	6.7%	_____%
C	*Performance*					
4	Average Utilization[a]	31.5%	32.7%	– 3.7%	29.7%	_____%
	Day Utilization	32.3%	32.9%	– 1.8%	29.9%	_____%
	Night Utilization	28.0%	31.7%	– 11.7%	20.4%	_____%
5	Days/Nights of Operation[a]	117	125	– 6.4%	113	_____
D	*Policy and Planning*					
6	Capital Cost/Capacity[l]	$2,707	$2,581	4.9%	$2,445	$_____
7	Operating Cost/Capacity[m]	$ 5.66	$ 5.32	6.4%	$ 5.34	$_____
E	*Revenue/Skier Visit (Average for All Areas)*					
	Ski Lift Gross	$ 20.27	$ 18.77	8.0%	$ 21.03	$_____
	Ski School Margin	$ 0.91	$ 0.79	15.2%	$ 0.96	$_____
	Food Service Margin	$ 1.00	$ 0.94	6.4%	$ 1.07	$_____
	Bar Margin	$ 0.40	$ 0.45	– 11.1%	$ 0.37	$_____
	Ski Shop Margin	$ 0.49	$ 0.54	– 9.3%	$ 0.43	$_____
	Ski Rental Margin	$ 0.81	$ 0.82	– 1.2%	$ 0.57	$_____
	Other Margin	$ 0.24	$ 0.19	26.3%	$ 0.26	$_____
8	*Total Revenue/ Skier Visit*	*$ 24.12*	*$ 22.50*	*7.2%*	*$ 24.69*	$_____
	Base	133	138		57	

[a] See Table 4.

[b] C = A / B.

[c] See Table 18.

[d] See Table 26.

[e] I = G + H.

[f] Using figures from Table 26, K = Total Revenue — Profit (Loss) before Tax — Depreciation and Amortization — Interest.

[g] Using figures from Table 30, M = Long-term Debt + Subordinated Debt.

[h] Using figures from Table 30, N = Invested Net Worth + Retained Earnings — Treasury Stock.

[i] Ratio = M / I.

[j] Ratio = J / L.

[k] Ratio = G / N.

[l] Ratio = L / C.

[m] Ratio = K / E.

WHAT THE RATIOS MEAN

The following text notes refer to Table 32 and to related tables in subsequent chapters.

A. Ski Industry **Health (Debt to Cash Flow)**: In 1989–90, the ski industry slightly decreased its ability to retire debt. Average **long-term debt** obligations are 4.0 times the **before-tax cash flow**. Assuming income taxes are 50% of income before tax, cash flows are adequate to retire debt in approximately 5.0 years.

B. Ski Industry **Profitability**: **Operating profit** as a percent of **gross fixed assets** is 7.4%. This is a decrease from last year's 8.4%.

Profit (before tax) on equity is at 10.3%, down from last year's 17.1% and up from 1987–88's 9.8%.

C. Ski Industry **Performance**: Average skier visits were down by 1%.

D. **Policy and Planning** Ratio: The two cost/capacity ratios measure design and operating efficiency. The benchmarks established by the total sample should be attainable and probably represent an adequate norm.

The **capital cost/capacity** ratio must be adjusted upward by an appropriate inflation index to be used for current new construction planning.

The daily cash **operating cost/capacity** ratio, at $5.66, is up from the 1988–89 index of $5.32 and above the $5.29 recorded in 1987–88. The change by category looks like this:

CASH COST/SEASON CAPACITY

	1989–90	1988–89	CHANGE
Ski Lift Direct	$1.74	$1.63	6.7%
Payroll Taxes	0.18	0.19	– 5.3%
Property Operation	0.32	0.22	45.5%
Snowmaking and Snow Removal	0.39	0.38	2.6%
General, Administrative, and Miscellaneous	1.52	1.41	7.8%
Marketing	0.65	0.59	10.2%
Insurance	0.46	0.53	– 13.2%
Land Use Fees	0.19	0.20	– 5.0%
Property Taxes	0.16	0.14	14.3%
Other Taxes	0.04	0.03	33.3%
TOTAL	***$5.66***	***$5.32***	***6.4%***
Base	133	138	

E. **Revenue per Skier Visit**: The 1989–90 **revenue per skier visit** was up 7.2% to $24.12. Overall margins increased in the ski school, food services, and other categories. Overall margins decreased in the bar, ski shop and rental categories.

TABLE 33

REVENUE PER SKIER VISIT

	1989–90	1988–89	1987–88	1986–87
Ski Lift Gross	$20.27	$18.77	$17.09	$15.89
Ski School Margin	0.91	0.79	0.72	0.60
Food Service Margin	1.00	0.94	0.86	0.77
Bar Margin	0.40	0.45	0.44	0.38
Ski Shop Margin	0.49	0.54	0.59	0.45
Rental Margin	0.81	0.82	0.84	0.77
Other Margin	0.24	0.19	0.19	0.18
TOTAL	***$24.12***	***$22.50***	***$20.73***	***$19.04***
Base	133	138	138	134

V

PROFITABILITY

The 1989–90 ski season recorded operating profits that were down from 1988–89, and fewer ski areas showed operating profits. Operating profit on gross fixed assets was 7.4% for the average ski area in the study (down from 8.4% in 1988–89). It was up 30.9% for the top half of the profitable ski areas and down 29.6% for the bottom half.

This chapter makes a comprehensive analysis of profitability, its probable causes, current trends, and proposed solutions. Data are presented in three categories, those for the top half of the profitable areas, those for the bottom half of the profitable areas, and those for areas recording losses. Again, the reader is urged to carefully read the definitions of profitability used in this study (Appendix C), since this chapter treats profitability in a non-typical, but hopefully more meaningful, way. By defining profitability in terms of operating profit rather than profit before income taxes, the study shows 90 profitable areas rather than 71, and 43 areas with a loss rather than 62. Basing this analysis on operating profit also allows a number of additional meaningful comparisons to be made, especially comparisons of areas with varying capital structures. Due to the large number of tables presented, most will be found at the end of the chapter.

The proportion of ski areas showing operating profits decreased from 1988–89. Table 34 summarizes six profit indicators.

TABLE 34

HISTORICAL COMPARATIVE MEASURES OF PROFITABILITY

	1989–90	1988–89	1987–88	1986–87
Ski Areas Reporting Operating Profits	67.7%	76.1%	82.6%	75.4%
Operating Profit on GFA	7.4%	8.4%	6.8%	4.9%
Profit (BT) on Equity	10.3%	17.1%	9.8%	3.2%
Profit (BT) on GFA	3.5%	5.1%	3.1%	1.1%
Profit (BT) on Revenue	8.7%	12.4%	7.2%	2.8%
Profit (BT) in Dollars (000)	$540	$701	$368	$120
Base	133	138	138	134

This chapter isolates both the physical and the economic characteristics of profitable areas and compares them with the characteristics of areas recording losses to see if any significant insights result. Table 35 presents a summary of the ski area characteristics for areas divided into three categories of profitability. Tables 36 through 39 contain income statement and balance sheet data in these three categories. The 90 profitable ski areas were considered profitable based upon their ability to show an operating profit, i.e., before subtracting interest. Nineteen of these profitable areas did record losses after subtracting interest costs. The top half were selected based upon their return on GFA, i.e., as opposed to dollar amounts of profits. Table 40 contains the critical economic ratios.

CHARACTERISTICS OF THE TOP HALF OF THE PROFITABLE SKI AREAS

The same five characteristics as in past studies are identified as the probable causes for higher profitability.

PROBABLE CAUSE	MEASURE	INDEX[a]
1. Equivalent Days/Nights	133	1.14
2. Revenue/Skier Visit	$ 26.81	1.11
3. Capital Cost/Capacity Ratio	$2,595	0.96
4. Size (VTF/Hour)	11,875	1.36
5. Available Beds	7,025	1.56
RESULTING EFFECT	**MEASURE**	**INDEX[a]**
Average Utilization	29.9%	0.95
Operating Profit (000)	$3,074	2.72
Operating Profit on GFA	15.0%	2.03

[a] The index represents the relationship of this measure to the average ski area measure.

In 1989–90, the top profit ski areas performed better than the average ski area on all measures except utilization.

None of the factors alone fully explains the better profitability; however, each favorable factor has a small effect, and together they can affect profits dramatically.

1. Length of Season: Typically, the top profit ski areas enjoy a relatively longer season. The 45 top profit ski areas recorded 133 equivalent days/nights of operation, which was 13.7% above the average and 38.5% above the loss areas. These 133 days/nights were more than the 130 equivalent days/nights recorded in 1988–89.

   The favorable season length helped keep the top profit areas relatively profitable. Its effect is shown in Chapter VIII, where Table 90 shows that the 16 ski areas that operated 160 days and over recorded an 11.4% operating profit on gross fixed assets, while the 10 areas open fewer than 80 days reported a – 3.4% operating profit on gross fixed assets.

2. Revenue per Skier Visit: Normally, the most profitable ski areas also have the highest average revenue per skier visit. This was the case in 1989–90. Revenue per skier visit for the top profit areas was $26.81, for the bottom profit areas was $22.42, and for the loss areas was $19.20.
3. Capital Cost/Capacity Ratio: The top half profit areas were below the industry average.
4. Type and Size of Area: Typically, it is the most profitable ski areas that have the largest number of equivalent days/nights of operation, the most skiable acres, the largest gross fixed assets, and the most VTF per hour. This was true for the 1989–90 season.

CHARACTERISTICS OF THE BOTTOM HALF OF THE PROFITABLE SKI AREAS

The major reason for the lower profitability reported by the bottom half of the profitable ski areas is a higher capital cost/capacity rate, lower revenue per skier visit, and fewer operating days/nights compared to the top half of the profitable areas. These areas also had fewer available beds than the top profit areas. The indexes, or relative measures, of the five variables identified earlier are summarized below.

None of these factors alone explains the poorer profitability. However, the combination of higher capital cost/capacity rate, lower revenue per skier visit, fewer operating days/nights, and fewer beds creates only marginal profits.

Probable Cause	Measure	Index
1. Equivalent Days/Nights	121	1.04
2. Revenue/Skier Visit	$ 22.42	0.93
3. Capital Cost/Capacity Ratio	$3,135	1.16
4. Size (VTF/Hour)	8,440	0.99
5. Available Beds	4,027	0.89
Resulting Effect	**Measure**	**Index**
Average Utilization	34.7%	1.10
Operating Profit (000)	$ 704	0.62
Operating Profit on GFA	4.0%	0.54

CHARACTERISTICS OF THE LOSS SKI AREAS

The same five probable causes as applied to the loss areas illustrate the following:

PROBABLE CAUSE	MEASURE	INDEX
1. Equivalent Days/Nights	96	0.82
2. Revenue/Skier Visit	$ 19.20	0.80
3. Capital Cost/Capacity Ratio	$2,239	0.83
4. Size (VTF/Hour)	5,099	0.60
5. Available Beds	2,286	0.51
RESULTING EFFECT	**MEASURE**	**INDEX**
Average Utilization	29.8%	0.95
Operating Profit (000)	$ (494)	—
Operating Profit on GFA	Loss	—

An analysis of the five causes shows which combine to create losses.

1. Length of Season: The shorter operating season is a major cause. The 43 loss areas averaged 58 days of full operation, 23 days when less than fully but better than half open, and 18 days when less than half open. Their equivalent days/nights amounted to 97% of their actual days open. However, their equivalent days/nights of operation is only 82% of the average for all reporting ski areas.
2. Revenue per Skier Visit: Past studies identified discounting as a cause of lost revenue, and this may be the case again in 1989–90. Revenue per skier visit is 80% of the industry average, and 72% of the top profit areas.
3. Cost Factors: A shortcoming of the loss areas involves a relatively high operating cost/capacity ratio of $5.92, 4.6% higher than the average ski area. The key to profitability is to control cost and increase utilization.
4. Size: Size does not appear to be an important factor, even though the loss areas were smaller than the top profit areas and the bottom profit areas.
5. Available Beds: This factor does not appear significant, even though the loss areas had a smaller number of beds than the top profit areas and the bottom profit areas.

The identified basic short-comings of length of season, cost factors, revenue per skier visit, and utilization have created losses and must be remedied to return to profitability.

SUMMARY

These various favorable and unfavorable economic characteristics may be summarized using the rule-of-thumb ratio, or factor, of *total revenue as a percent of GFA* to *utilization*.

	Total	Top Half Profit	Bottom Half Profit	Loss
Number of Areas	133	45	45	43
Total Revenue/GFA	40%	50%	34%	27%
Utilization	31%	30%	35%	30%
Factor	1.29	1.67	0.97	0.90
Judgment	Good	Excellent	Poor	Poor

A factor of less than 1.00 indicates that one or more of the critical characteristics are out of balance.

TABLE 35

AVERAGE SKI AREA CHARACTERISTICS, BY PROFITABILITY

	Total	Top Half Profit	Bottom Half Profit	Loss
Size				
VTF/Hour (000)	8,522	11,875	8,440	5,099
Gross Fixed Assets (000)	$15,381	$20,548	$17,647	$7,610
Skiable Acres	666	845	622	526
Total Acres	2,003	2,981	1,809	1,182
Location				
Within 50 Miles of SMSA	34%	38%	11%	28%
With 6 or More Areas within 1 Hour	32%	16%	11%	30%
New England	20%	16%	31%	12%
East	14%	9%	11%	21%
Midwest	11%	11%	11%	9%
Central Rockies	16%	16%	16%	16%
Northern Rockies	11%	13%	11%	7%
California and Nevada	11%	13%	9%	12%
Pacific Northwest	8%	0%	4%	19%
Western Canada	11%	22%	7%	5%

Continued ...

TABLE 35 (CONTINUED)

AVERAGE SKI AREA CHARACTERISTICS, BY PROFITABILITY

	Total	Top Half Profit	Bottom Half Profit	Loss
Site Characteristics				
Number of Beds at Base	1,225	1,849	1,396	324
Number of Beds within 10 miles	4,510	7,025	4,027	2,286
With Snowmaking	74%	80%	78%	65%
With Night Skiing	42%	38%	38%	51%
Terrain				
Beginner	25%	26%	26%	22%
Intermediate	47%	45%	46%	50%
Expert	28%	29%	28%	27%
Business Characteristics				
Operating with USFS Permit	43%	38%	44%	47%
Engaged in Land Development	38%	51%	33%	28%
Operational Characteristics				
Average Days/Nights of Operation	117	133	121	96
Average Peak Day Crowd	5,122	6,842	4,884	3,571
Average Skier Visits (000)	229	334	244	103
Average Age of Ski Areas	30	30	31	29
Economic Characteristics				
Average Revenue/Skier Visit	$ 24.12	$ 26.81	$ 22.42	$ 19.20
Average Lift Ticket Revenue/Skier Visit	$ 20.27	$ 22.24	$ 19.19	$ 16.24
Average Adult Lift Ticket Price				
Weekend	$ 27.20	$ 29.36	$ 27.32	$ 24.82
Weekday	$ 24.34	$ 26.85	$ 25.02	$ 21.00
Average Night Ticket Price				
Weekend	$ 15.67	$ 15.24	$ 14.79	$ 16.69
Weekday	$ 14.83	$ 14.82	$ 14.44	$ 15.13
Average Adult Season Ticket Price	$456	$ 488	$ 484	$ 393
Average Utilization	31%	30%	35%	30%
Average Profit (Loss) before Tax	$540	$2,437	$(118)	$(758)
Ratio: Revenue/GFA	40%	50%	34%	27%
Base	133	45	45	43

TABLE 36

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY PROFITABILITY

	Total (000)	Top Half (000)	Bottom Half (000)	Loss (000)	Your Ski Area
Gross Fixed Assets	*$15,381*	*$20,548*	*$17,641*	*$7,610*	$_____
Revenue					
Ski Lift Gross—Winter	$ 4,639	$ 7,434	$ 4,678	$1,672	$_____
Ski Lift Gross—Summer	60	120	53	4	_____
Supporting Margin—Winter	1,005	1,688	965	332	_____
Supporting Margin—Summer	84	119	130	0	_____
Year-Round Margin	394	980	138	48	_____
Total Revenue	*$ 6,181*	*$10,341*	*$ 5,963*	*$2,056*	$_____
Expenses and Allocations					
Ski Lift Direct Expense	$ 1,265	$ 1,796	$ 1,364	$ 605	$_____
Payroll Taxes	133	181	125	92	_____
Property Operation	231	329	231	129	_____
Subtotal, Expenses and Allocations	*$ 1,629*	*$ 2,306*	*$ 1,720*	*$ 826*	$_____
Operations Margin	*$ 4,552*	*$ 8,034*	*$ 4,243*	*$1,230*	$_____
Common Expenses					
General and Administrative	$ 925	$ 1,432	$ 886	$ 434	$_____
Marketing (advertising, public relations, promotion, etc.)	475	684	525	203	_____
Insurance (property, liability)	336	453	339	208	_____
Land Use Fees (public)	105	183	104	24	_____
Land Use Fees (private)	35	48	41	15	_____
Property Taxes	115	156	125	63	_____
Other Taxes (except income)	28	59	9	16	_____
Snowmaking	269	373	263	165	_____
Snow Removal	17	30	12	9	_____
Miscellaneous	182	273	193	77	_____
Depreciation and Amortization	934	1,270	1,042	470	_____
Subtotal, Common Expenses	*$ 3,421*	*$ 4,961*	*$ 3,539*	*$1,684*	$_____
Operating Profit (Loss)	*$ 1,131*	*$ 3,073*	*$ 704*	*$ (454)*	$_____
Interest Expense	*$ 591*	*$ 636*	*$ 822*	*$ 304*	$_____
Profit (Loss) Before Tax	*$ 540*	*$ 2,437*	*$ (118)*	*$ (758)*	$_____
Base	133	45	45	43	

TABLE 37

AVERAGE SKI AREA FINANCIAL DATA--INCOME STATEMENT, BY PROFITABILITY

PERCENT OF GROSS FIXED ASSETS

	Total	Top Half	Bottom Half	Loss	Your Ski Area
Gross Fixed Assets	*100.0%*	*100.0%*	*100.0%*	*100.0%*	_____%
Revenue					
Ski Lift Gross—Winter	30.2%	36.2%	26.5%	22.0%	_____%
Ski Lift Gross—Summer	0.4	0.6	0.3	0.0	_____
Supporting Margin—Winter	6.5	8.2	5.5	4.4	_____
Supporting Margin—Summer	0.5	0.6	0.7	0.0	_____
Year-Round Margin	2.6	4.8	0.8	0.6	_____
Total Revenue	*40.2%*	*50.3%*	*33.8%*	*27.0%*	_____%
Expenses and Allocations					
Ski Lift Direct Expense	8.2%	8.7%	7.7%	7.9%	_____%
Payroll Taxes	0.9	0.9	0.7	1.2	_____
Property Operation	1.5	1.6	1.3	1.7	_____
Subtotal, Expenses and Allocations	*10.6%*	*11.2%*	*9.7%*	*10.8%*	_____%
Operations Margin	*29.6%*	*39.1%*	*24.1%*	*16.2%*	_____%
Common Expenses					
General and Administrative	6.0%	7.0%	5.0%	5.7%	_____%
Marketing (advertising, public relations, promotion, etc.)	3.1	3.3	3.0	2.7	_____
Insurance (property, liability)	2.2	2.2	1.9	2.7	_____
Land Use Fees (public)	0.7	0.9	0.6	0.3	_____
Land Use Fees (private)	0.2	0.2	0.2	0.2	_____
Property Taxes	0.7	0.8	0.7	0.8	_____
Other Taxes (except income)	0.2	0.3	0.1	0.2	_____
Snowmaking	1.7	1.8	1.5	2.2	_____
Snow Removal	0.1	0.1	0.1	0.1	_____
Miscellaneous	1.2	1.3	1.1	1.0	_____
Depreciation and Amortization	6.1	6.2	5.9	6.2	_____
Subtotal, Common Expenses	*22.2%*	*24.1%*	*20.1%*	*22.1%*	_____%
Operating Profit (Loss)	*7.4%*	*15.0%*	*4.0%*	*– 6.0%*	_____%
Interest Expense	*3.8%*	*3.1%*	*4.7%*	*4.0%*	_____%
Profit (Loss) before Tax	*3.5%*	*11.9%*	*– 0.7%*	*– 10.0%*	_____%
Base	133	45	45	43	

TABLE 38

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY PROFITABILITY

PERCENT OF REVENUE

	Total	Top Half	Bottom Half	Loss	Your Ski Area
Revenue					
Ski Lift Gross—Winter	75.0%	71.9%	78.4%	81.3%	_____%
Ski Lift Gross—Summer	1.0	1.2	0.9	0.2	_____
Supporting Margin—Winter	16.3	16.3	16.2	16.1	_____
Supporting Margin—Summer	1.4	1.1	2.2	0.0	_____
Year-Round Margin	6.4	9.5	2.3	2.3	_____
Total Revenue	*100.0%*	*100.0%*	*100.0%*	*100.0%*	_____%
Expenses and Allocations					
Ski Lift Direct Expense	20.5%	17.4%	22.9%	29.4%	_____%
Payroll Taxes	2.2	1.8	2.1	4.5	_____
Property Operation	3.7	3.2	3.9	6.3	_____
Subtotal, Expenses and Allocations	*26.4%*	*22.4%*	*28.9%*	*40.2%*	_____%
Operations Margin	*73.6%*	*77.7%*	*71.2%*	*59.8%*	_____%
Common Expenses					
General and Administrative	15.0%	13.9%	14.9%	21.1%	_____%
Marketing (advertising, public relations, promotion, etc.)	7.7	6.6	8.8	9.9	_____
Insurance (property, liability)	5.4	4.4	5.7	10.1	_____
Land Use Fees (public)	1.7	1.8	1.8	1.2	_____
Land Use Fees (private)	0.6	0.5	0.7	0.7	_____
Property Taxes	1.9	1.5	2.1	3.1	_____
Other Taxes (except income)	0.5	0.6	0.2	0.8	_____
Snowmaking	4.3	3.6	4.4	8.0	_____
Snow Removal	0.3	0.3	0.2	0.4	_____
Miscellaneous	2.9	2.6	3.2	3.7	_____
Depreciation and Amortization	15.1	12.3	17.5	22.9	_____
Subtotal, Common Expenses	*55.4%*	*48.1%*	*59.5%*	*81.9%*	_____%
Operating Profit (Loss)	*18.3%*	*29.7%*	*11.8%*	*– 22.1%*	_____%
Interest Expense	*9.6%*	*6.2%*	*13.8%*	*14.8%*	_____%
Profit (Loss) Before Tax	*8.7%*	*23.6%*	*– 2.0%*	*– 36.9%*	_____%
Base	133	45	45	43	

TABLE 39

AVERAGE SKI AREA FINANCIAL DATA—BALANCE SHEET, BY PROFITABILITY

	Total (000)	Top Half (000)	Bottom Half (000)	Loss (000)
Assets				
Current Assets	$ 1,707	$ 2,701	$ 1,466	$ 824
Gross Fixed Assets	15,862	20,548	18,108	7,980
Minus: Depreciation	(6,104)	(8,203)	(6,229)	(3,545)
Other Assets	1,748	2,283	2,016	836
Total Assets	***$13,213***	***$17,330***	***$15,361***	***$6,096***
Liabilities				
Current Liabilities	$ 1,467	$ 2,022	$ 1,379	$ 923
Long-Term Debt	4,435	4,766	6,331	1,961
Subordinated Debt	1,508	1,797	1,359	1,338
Deferred Taxes	224	387	223	39
Other Liabilities	331	248	371	384
Subtotal, Liabilities	***$ 7,965***	***$ 9,220***	***$ 9,663***	***$4,645***
Net Worth				
Invested	$ 3,571	$ 3,108	$ 5,147	$2,370
Retained Earnings	1,716	5,063	596	(913)
Minus: Treasury Stock	(39)	(61)	(45)	(7)
Subtotal, Net Worth	***$ 5,248***	***$ 8,110***	***$ 5,698***	***$1,450***
Total Liabilities and Net Worth	***$13,213***	***$17,330***	***$15,361***	***$6,096***
Base	127	45	43	39

TABLE 40

ECONOMIC RATIOS, BY PROFITABILITY

TEXT NOTE[n]	FACTOR OR RATIO	KEY	TOTAL	TOP HALF	BOTTOM HALF	LOSS	YOUR SKI AREA
		KEY FACTORS					
	VTF/Hour (000)[a]	A	8,522	11,875	8,440	5,099	_____
	VTF/Hour—Demand/Skier Capacity	B	1,500	1,500	1,500	1,500	_____
	Skier Capacity[b]	C	5,681	7,917	5,626	3,399	_____
	Days/Nights of Operation[a]	D	117	133	121	96	_____
	Season Capacity (000)	E	727	1,117	702	345	_____
	Day Season Capacity (000)		675	1,059	657	293	_____
	Night Season Capacity (000)		128	154	127	107	_____
	Actual Skier Visits (000)[a]	F	229	334	244	103	_____
	Day Skier Visits (000)[c]		218	327	236	89	_____
	Night Skier Visits (000)[c]		36	45	35	30	_____
	Profit (Loss) before Tax (000)[d]	G	$ 540	$ 2,437	$ (118)	$ (758)	$_____
	Plus: Depreciation (000)[d]	H	$ 934	$ 1,270	$ 1,042	$ 470	$_____
	Before-Tax Cash Flow (000)[e]	I	$ 1,474	$ 3,707	$ 924	$ (288)	$_____
	Operating Profit (Loss) (000)[d]	J	$ 1,131	$ 3,074	$ 704	$ (454)	$_____
	Cash Operating Costs (000)[f]	K	$ 4,116	$ 5,997	$ 4,217	$2,041	$_____
	Gross Fixed Assets (000)[d]	L	$15,381	$20,548	$17,641	$7,610	$_____
	Long-Term Debt (000)[g]	M	$ 5,943	$ 6,564	$ 7,691	$3,300	$_____
	Equity (000)[h]	N	$ 5,248	$ 8,109	$ 5,698	$1,450	$_____

Continued ...

TABLE 40 (CONTINUED)

ECONOMIC RATIOS, BY PROFITABILITY

Text Note[n]	Factor or Ratio	Total	Top Half	Bottom Half	Loss	Your Ski Area
	CRITICAL RATIOS					
1,A	*Health (Debt to Cash Flow)*[j]	4.0X	1.8X	8.3X	Loss	_____X
B	*Profitability*					
2	Operating Profit on GFA[i]	7.4%	15.0%	4.0%	– 6.0%	_____%
3	Profit (BT) on Equity[k]	10.3%	30.1%	– 2.1%	– 52.3%	_____%
C	*Performance*					
4	Average Utilization[a]	31.5%	29.9%	34.7%	29.8%	_____%
	Day Utilization	32.5%	30.8%	35.9%	30.4%	_____%
	Night Utilization	28.0%	29.4%	27.5%	27.7%	_____%
5	Days/Nights of Operation[a]	117	133	121	96	_____
D	*Policy and Planning*					
6	Capital Cost/Capacity[l]	$2,707	$2,595	$3,135	$2,239	$_____
7	Operating Cost/Capacity[m]	$ 5.66	$ 5.37	$ 6.01	$ 5.92	$_____
E	*Revenue/Skier Visit (Average for All Areas)*					
	Ski Lift Gross	$ 20.27	$ 22.24	$ 19.19	$ 16.24	$_____
	Ski School Margin	$ 0.91	$ 1.13	$ 0.75	$ 0.53	$_____
	Food Service Margin	$ 1.00	$ 1.23	$ 0.88	$ 0.53	$_____
	Bar Margin	$ 0.40	$ 0.48	$ 0.34	$ 0.27	$_____
	Ski Shop Margin	$ 0.49	$ 0.57	$ 0.42	$ 0.38	$_____
	Ski Rental Margin	$ 0.81	$ 0.86	$ 0.65	$ 1.08	$_____
	Other Margin	$ 0.24	$ 0.29	$ 0.18	$ 0.17	$_____
8	*Total Revenue/Skier Visit*	*$ 24.12*	*$ 26.81*	*$ 22.42*	*$ 19.20*	*$_____*
	Base	133	45	45	43	

[a] See Table 35.

[b] C = A / B.

[c] See Table 18.

[d] See Table 36.

[e] I = G + H.

[f] Using figures from Table 36, K = Total Revenue — Profit (Loss) before Tax — Depreciation and Amortization — Interest.

[g] Using figures from Table 39, M = Long-term Debt + Subordinated Debt.

[h] Using figures from Table 39, N = Invested Net Worth + Retained Earnings — Treasury Stock.

[i] Ratio = M / I.

[j] Ratio = J / L.

[k] Ratio = G / N.

[l] Ratio = L / C.

[m] Ratio = K / E.

[n] See Pages 31–37 for related Text Notes.

VI

SKI AREA DEPARTMENT OPERATIONS

Skiers require a variety of supporting services in order to participate in their sport. In general, these services are revenue producers, and each should be organized to provide some contribution to gross margin.

DEPARTMENTAL OPERATIONS

Table 41 summarizes the departmental operations for departments during both winter and summer seasons. Since the range of supporting services varies substantially, this data represents averages from among only those areas who reported owning and operating such supporting services. The number of ski areas reporting such operations is noted in the right hand column labeled "Base." For example, only 92 ski areas, or 69% of all respondents, reported operating a bar; thus, the data shown are from a sample of only 92.

In addition to the departmental direct cost breakdown, Table 41 includes gross sales per skier visit for the seven major departmental categories. These winter season departments account for 80% of ski area gross revenue. These averages have also been calculated using only those ski areas that report owning and operating these departments. Thus, the gross margins calculated from Table 41 will not equate with the average ski industry margins shown with the economic ratios in Table 32. For instance, the bar department gross margin on Table 41 amounts to $0.52/skier visit ($1.20 x 43.5%), whereas on Table 32 it is shown as $0.40/skier visit. While the industry average is based on all 133 respondents, the Table 41 data is based only the 92 respondents who own and operate a bar.

Two upgraded items involve the cost of goods sold in the rental department and payroll taxes. Since the 1977–1978 survey, respondents have been asked to include a rental equipment depreciation allowance under the cost of goods sold, since this equipment is typically replaced every three to five seasons. Another change was made in 1987–88; now payroll taxes are also deducted from gross sales when calculating departmental gross margins. If respondents gave a breakdown of payroll taxes by department, that figure was used; if a total payroll tax figure was given, it was allocated to departments in proportion to direct labor costs.

Tables 42 through 44 summarize departmental data by profitability. This breakdown is also included by ski area type (Tables 45 through 47) and by geographic region (Chapter VII, Tables 67 through 74).

SKI AREA CONCESSIONS

Table 48 summarizes ski area concession operations.

SKI AREA EMPLOYMENT

Tables 49 and 50 summarize ski area employment. The 133 ski areas employed 31,521 persons daily, and the 111 U.S. ski areas employed 27,017 daily. If the balance of the U.S. ski areas had similar staffing, then, based on skier visits, the industry employed 54,360 persons daily.

SKI LIFT DEPARTMENT DETAIL

Table 51 contains the ski lift department breakdowns.

SKI AREA INSURANCE COSTS

Ski area insurance costs have been a major concern of the industry over the past few years. Eighty-nine ski areas provided data concerning both property, etc., insurance costs and liability insurance costs. Their cost experience was:

	Cost	Percent of Total
Property Insurance Expense	$83,416	25.0%
Liability Insurance Expense	$250,090	75.0%
Total Insurance Expense	***$333,506***	***100.0%***

Forty-four ski areas lumped their insurance costs together and reported a cost of $339,545. Applying the property/liability ratio calculated for those areas which provided separate insurance expense figures to the 44 ski areas who provided only one lumped figure suggests that 25.0% should be allocated to property insurance and 75.0% to liability insurance. Thus, the 1989–90 figures probably look like this for the average ski area:

	Cost	Percent of Total
Property Insurance Expense	$83,902	25.0%
Liability Insurance Expense	$251,602	75.0%
Total Insurance Expense	***$335,504***	***100.0%***

Logically, property insurance is some function of the property value, while liability insurance is typically measured as a percent of revenue. Thus, the following relationships have been calculated:

Property Insurance		Gross Fixed Assets		
$83,902	/	$15,381,000	=	0.55%
Liability Insurance		Total Revenue		
$251,602	/	$6,181,000	=	4.1%
Liability Insurance		Gross Operating Revenue[a]		
$251,602	/	$8,042,000	=	3.1%

[a] For purposes of this measure, gross operating revenue is defined as all gross revenue minus real estate and utility departmental revenue and minus all concession revenue.

The liability insurance ratios decreased for the second time in recent years, after increasing considerably, as shown below. Hopefully the rapid escalation of insurance costs has come to an end.

	1989–90	1988–89	1987–88	1986–87	1985–86
Liability Insurance/Total Revenue Ratio	4.1%	4.7%	5.7%	5.7%	4.5%
Liability Insurance/Gross Operating Revenue Ratio	3.1%	3.6%	4.4%	4.3%	3.4%

TABLE 41

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

TOTAL SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$20.27	100%	—%	15.6%	10.0%	2.8%	*71.6%*	133
Ski School	2.51	100	—	45.3	7.9	9.0	*37.8*	121
Food Service	3.91	100	31.9	25.3	11.0	4.0	*28.7*	109
Bar	1.20	100	25.3	18.6	10.6	2.7	*43.5*	92
Retail	2.31	100	53.0	13.1	6.7	2.2	*25.7*	81
Rental	1.81	100	13.0[b]	19.6	7.1	3.9	*56.4*	104
Accommodations	—	100	—	26.3	35.3	5.8	*33.2*	50
Other	1.09	100	3.6	40.2	21.4	9.8	*25.8*	106
TOTAL (PER SKIER VISIT)	*$33.10*							
Year-Round								
Real Estate		100%	31.2%	2.7%	24.2%	0.3%	*41.6%*	27
Utility		100	—	41.1	53.2	9.8	*–4.1*	18
Miscellaneous		100	7.2	7.4	13.1	0.6	*71.9*	75
Summer Season								
Lift Department		100%	—%	69.7%	55.2%	9.0%	*–33.9%*	35
Food Service		100	33.9	39.3	14.8	5.7	*6.4*	50
Retail		100	55.9	25.8	10.0	4.0	*4.6*	28
Sports		100	—	33.0	27.8	4.0	*36.4*	20
Accommodations		100	—	40.4	33.2	6.6	*19.8*	26
Summer Slide		100	0.0	25.5	14.6	4.7	*55.3*	14
Other		100	2.8	42.2	73.1	14.4	*–32.2*	38

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 42

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

TOP PROFIT SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$22.24	100%	—%	13.6%	9.0%	2.3%	*75.1%*	45
Ski School	2.94	100	—	44.5	6.7	8.3	*40.6*	42
Food Service	4.40	100	30.9	23.2	9.7	3.9	*32.6*	39
Bar	1.18	100	23.8	16.1	10.0	2.5	*48.1*	38
Retail	2.31	100	50.6	12.5	6.4	1.6	*29.7*	30
Rental	1.76	100	12.2[b]	19.0	6.4	3.3	*59.1*	37
Accommodations	—	100	—	28.0	34.0	6.6	*31.8*	19
Other	1.28	100	2.2	45.0	16.9	11.8	*25.5*	41
Total (per skier visit)	*$36.12*							
Year-Round								
Real Estate		100%	29.2%	1.4%	25.8%	0.2%	*43.4%*	16
Utility		100	—	39.1	49.6	9.6	*1.6*	7
Miscellaneous		100	2.2	3.8	12.7	0.4	*81.1*	31
Summer Season								
Lift Department		100%	—%	54.8%	45.0%	7.7%	*−7.5%*	16
Food Service		100	33.0	37.5	13.0	6.7	*9.9*	21
Retail		100	53.3	27.2	8.5	3.9	*7.1*	13
Sports		100	—	25.8	17.4	3.8	*53.0*	7
Accommodations		100	—	45.8	35.2	10.7	*8.3*	9
Summer Slide		100	0.0	20.5	15.7	2.7	*61.2*	5
Other		100	1.1	47.8	88.8	19.5	*−56.7*	18

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 43

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

BOTTOM PROFIT SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$19.19	100%	—%	16.2%	11.1%	2.6%	***70.1%***	45
Ski School	2.34	100	—	45.5	10.4	9.2	***34.9***	41
Food Service	3.73	100	31.9	27.9	12.2	3.5	***25.6***	37
Bar	1.33	100	27.0	22.4	11.2	2.6	***37.3***	32
Retail	2.61	100	56.0	14.1	5.7	2.7	***21.5***	24
Rental	1.71	100	13.3[b]	20.4	7.8	4.7	***53.9***	35
Accommodations	—	100	—	26.0	33.6	2.7	***38.3***	16
Other	1.01	100	3.2	38.5	25.9	7.9	***24.7***	33
Total (per skier visit)	***$31.93***							
Year-Round								
Real Estate		100%	45.8%	12.1%	14.4%	1.4%	***26.2%***	8
Utility		100	—	37.2	54.3	7.5	***1.0***	5
Miscellaneous		100	14.9	14.9	16.1	0.7	***53.4***	25
Summer Season								
Lift Department		100%	—%	95.3%	68.1%	9.6%	***– 73.0%***	14
Food Service		100	34.5	40.3	16.3	4.3	***4.5***	22
Retail		100	57.7	21.4	9.0	2.7	***9.2***	9
Sports		100	—	42.2	42.2	3.1	***15.9***	9
Accommodations		100	—	35.1	30.9	3.1	***30.9***	12
Summer Slide		100	0.0	29.7	10.2	6.2	***53.9***	7
Other		100	8.3	29.3	48.1	3.0	***11.3***	12

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 44

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

LOSS SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$16.24	100%	—%	22.9%	12.4%	5.4%	***59.3%***	43
Ski School	1.71	100	—	49.7	7.4	12.0	***31.3***	39
Food Service	3.09	100	36.7	28.0	12.8	5.8	***17.9***	33
Bar	1.08	100	27.3	18.7	11.0	4.3	***39.4***	22
Retail	2.21	100	55.5	13.4	8.0	3.1	***20.6***	27
Rental	2.52	100	14.6[b]	20.4	8.2	4.4	***52.4***	31
Accommodations	—	100	—	20.7	45.8	13.3	***20.4***	15
Other	0.75	100	14.3	16.3	35.4	3.6	***31.8***	32
Total (per skier visit)	*$27.61*							
Year-Round								
Real Estate		100%	32.6%	2.3%	13.3%	0.1%	***51.7%***	3
Utility		100	—	67.2	73.6	18.4	***−59.2***	6
Miscellaneous		100	16.1	5.9	5.2	1.2	***71.7***	19
Summer Season								
Lift Department		100%	—%	197.4%	216.9%	48.7%	***−363.0%***	5
Food Service		100	39.4	52.6	20.9	9.4	***−22.3***	7
Retail		100	61.7	32.9	19.0	7.9	***−20.1***	6
Sports		100	—	42.7	37.5	9.6	***10.2***	4
Accommodations		100	—	57.3	44.8	11.5	***−11.9***	5
Summer Slide		100	0.0	30.4	31.5	7.2	***31.0***	2
Other		100	0.9	40.1	48.4	11.8	***−1.0***	8

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 45

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

VACATION-ORIENTED SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$21.79	100%	—%	14.6%	10.0%	2.5%	*72.9%*	36
Ski School	3.05	100	—	45.9	8.2	8.1	*37.8*	36
Food Service	3.96	100	29.7	26.9	12.2	3.9	*28.4*	31
Bar	1.14	100	24.8	21.2	13.0	2.8	*38.7*	28
Retail	2.44	100	52.4	13.1	8.0	2.3	*24.5*	25
Rental	1.44	100	14.0[b]	18.5	7.6	2.8	*57.2*	29
Accommodations	—	100	—	25.5	34.9	4.9	*34.8*	20
Other	1.16	100	2.4	53.7	23.8	14.7	*6.0*	31
Total (per skier visit)	*$34.98*							
Year-Round								
Real Estate		100%	28.9%	2.5%	25.7%	0.3%	*42.7%*	15
Utility		100	—	47.8	47.3	12.4	*–7.6*	8
Miscellaneous		100	3.6	8.8	17.6	0.6	*69.4*	23
Summer Season								
Lift Department		100%	—%	82.4%	58.3%	9.2%	*–50.0%*	21
Food Service		100	33.4	48.1	20.9	6.0	*–8.2*	22
Retail		100	52.2	26.7	12.0	3.8	*5.3*	15
Sports		100	—	34.2	29.3	3.5	*34.8*	9
Accommodations		100	—	42.9	36.3	6.7	*14.0*	14
Summer Slide		100	0.0	35.8	14.9	8.3	*41.0*	5
Other		100	4.6	62.1	132.7	23.5	*–122.1*	19

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 46

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

DAY SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$16.36	100%	—%	19.8%	11.5%	3.5%	*65.2%*	64
Ski School	1.93	100	—	40.4	6.7	11.0	*42.1*	56
Food Service	3.45	100	34.8	26.2	9.2	4.3	*25.7*	55
Bar	1.35	100	26.7	17.2	7.2	2.7	*46.2*	43
Retail	1.91	100	57.1	12.2	3.6	2.2	*25.3*	38
Rental	2.40	100	11.3[b]	19.1	6.0	4.8	*58.8*	50
Accommodations	—	100	—	38.2	36.4	3.6	*26.7*	14
Other	0.73	100	7.4	17.7	18.7	5.5	*51.1*	49
Total (per skier visit)	*$28.13*							
Year-Round								
Real Estate		100%	0.0%	25.5%	10.5%	2.5%	*61.5%*	3
Utility		100	—	32.5	91.2	2.8	*-26.4*	6
Miscellaneous		100	16.4	6.5	4.5	0.8	*71.8*	35
Summer Season								
Lift Department		100%	—%	52.8%	56.2%	9.4%	*-18.4%*	10
Food Service		100	35.0	30.3	6.4	3.4	*24.8*	20
Retail		100	61.1	25.0	8.7	1.5	*4.9*	6
Sports		100	—	50.1	44.1	1.0	*4.8*	4
Accommodations		100	—	37.0	40.0	1.8	*21.8*	8
Summer Slide		100	0.0	20.1	19.3	2.5	*58.1*	4
Other		100	2.5	22.5	30.0	5.1	*39.9*	13

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 47

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

WEEKEND SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$21.68	100%	—%	13.9%	8.8%	2.6%	***74.7%***	33
Ski School	1.90	100	—	49.9	8.3	10.0	***31.7***	30
Food Service	4.87	100	34.2	20.3	9.3	4.1	***32.8***	23
Bar	1.29	100	24.3	13.9	9.2	2.4	***52.0***	21
Retail	2.85	100	50.9	14.1	4.8	1.9	***29.4***	18
Rental	2.11	100	14.2[b]	22.3	8.1	4.4	***50.9***	24
Accommodations	—	100	—	25.3	35.9	8.4	***31.1***	16
Other	1.53	100	3.8	26.9	18.0	2.4	***50.9***	26
Total (per skier visit)	***$36.24***							
Year-Round								
Real Estate		100%	56.2%	3.6%	9.3%	0.6%	***30.3%***	9
Utility		100	—	28.9	47.4	6.8	***16.8***	4
Miscellaneous		100	0.0	1.5	12.2	0.0	***88.3***	17
Summer Season								
Lift Department		100%	—%	32.6%	35.4%	7.0%	***24.9%***	4
Food Service		100	33.4	32.3	12.7	8.4	***13.2***	8
Retail		100	60.9	24.3	6.2	5.8	***2.8***	7
Sports		100	—	25.1	19.5	6.1	***49.3***	7
Accommodations		100	—	34.0	17.8	9.3	***38.9***	4
Summer Slide		100	0.0	27.0	7.7	5.7	***59.7***	5
Other		100	0.4	24.1	9.7	6.2	***59.5***	6

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 48

SKI AREA CONCESSION OPERATIONS

Supporting Department	Percent of Ski Areas				Average Concession Revenue[a] (000)
	Do Not Have	*Own*	*Concession*	*Both*	
Winter Season					
Ski School	2.3%	90.2%	1.5%	6.0%	$20.9
Food Service	2.3	75.2	6.8	15.8	106.9
Bar	15.8	65.4	3.8	15.0	42.3
Retail Shop	10.5	58.6	2.3	28.6	67.9
Rental Shop	3.8	77.4	0.0	18.8	79.2
Accommodations	61.7	34.6	3.0	0.8	70.8
Summer Season					
Food Service	57.1%	36.8%	0.8%	5.3%	$62.1
Retail Shop	75.9	19.5	1.5	3.0	39.0
Sports Department	85.0	14.3	0.8	0.0	115.0
Accommodations	79.7	18.8	0.8	0.8	9.0
Summer Slide	89.5	10.5	0.0	0.0	—

[a] For those areas having concessions.

TABLE 49

NUMBER OF EMPLOYEES PER AVERAGE DAY, BY DEPARTMENT

	DEPARTMENTS									
	Lift	*Ski School*	*Food Service*	*Bar*	*Retail Store*	*Rental Shop*	*Accom-moda-tions*	*Other*	TOTAL[a]	FTE[b]
Total Sample	**54**	**45**	**43**	**6**	**8**	**11**	**33**	**64**	**237**	**167**
Geographic Location										
New England	60	51	44	8	11	11	45	69	272	179
East	50	29	41	7	5	16	33	42	199	93
Midwest	23	10	15	3	3	8	15	14	77	22
Central Rockies	60	95	69	6	11	8	46	132	391	174
Northern Rockies	58	35	31	5	5	6	12	22	155	198
California and Nevada	71	55	61	7	10	21	44	107	333	259
Pacific Northwest	51	26	39	8	6	7	8	38	169	207
Western Canada	53	29	34	8	11	8	9	44	180	107
Type										
Day	37	24	20	4	3	9	8	23	116	81
Weekend	48	33	43	6	7	14	28	62	216	190
Vacation	91	95	84	10	17	11	55	134	473	295
Profitability										
Top Profit	77	71	70	10	13	15	53	108	371	276
Bottom Profit	54	42	40	5	7	9	30	50	213	128
Loss	30	22	19	3	3	9	10	35	119	68
Size, in VTF/Hour (000)										
Under 2,500	15	11	9	2	2	5	11	7	51	30
2,500 – 3,999	27	21	19	2	2	8	17	20	100	63
4,000 – 5,499	37	24	34	6	4	10	34	37	161	75
5,500 – 9,999	60	36	34	6	4	12	12	46	193	124
10,000 and Over	105	105	96	12	20	16	55	156	540	348

[a] Will not add due to varying base responses.

[b] Full-Time Equivalent.

TABLE 50

NUMBER OF EMPLOYEES PER PEAK DAY, BY DEPARTMENT

	DEPARTMENTS									
	Lift	*Ski School*	*Food Service*	*Bar*	*Retail Store*	*Rental Shop*	*Accommodations*	*Other*	TOTAL[a]	FTE[b]
Total Sample	**71**	**79**	**59**	**10**	**10**	**18**	**45**	**79**	**331**	**231**
Geographic Location										
New England	87	94	69	12	15	17	68	95	417	246
East	71	75	63	11	9	28	44	60	324	147
Midwest	35	32	28	7	5	17	27	22	147	39
Central Rockies	72	127	82	7	5	12	54	154	477	223
Northern Rockies	70	65	38	7	6	10	14	25	216	248
California and Nevada	89	87	76	11	15	32	49	128	436	338
Pacific Northwest	74	64	49	17	9	13	11	51	268	281
Western Canada	51	41	38	11	6	12	12	30	187	176
Type										
Day	52	54	31	8	5	15	10	33	190	123
Weekend	67	65	63	10	11	2[illegible]	37	79	322	236
Vacation	110	136	105	14	20	1[illegible]	75	158	605	414
Profitability										
Top Profit	98	114	92	14	17	23	70	127	497	367
Bottom Profit	69	69	53	9	7	15	44	63	294	179
Loss	43	53	30	6	6	15	14	48	197	110
Size, VTF/Hour (000)										
Under 2,500	22	21	15	4	4	10	22	11	86	44
2,500 – 3,999	37	52	32	5	4	15	28	31	178	97
4,000 – 5,499	53	51	47	9	7	17	42	50	245	103
5,500 – 9,999	82	79	53	9	7	18	14	63	298	172
10,000 and Over	132	156	121	18	24	25	80	186	705	473

[a] Will not add due to varying base responses.

[b] Full-Time Equivalent.

TABLE 51

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN, BY PROFITABILITY

	Total Sample	Top Half	Bottom Half	Loss	Your Ski Area
Ski Lift Gross Revenue (Winter)	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100%*
Direct Labor Expense					
Ski Lift Payroll	5.1%	4.9%	4.7%	8.3%	_____%
Ski Patrol Payroll	2.4	2.1	2.7	2.7	_____%
Slope Maintenance Payroll	2.1	1.9	2.3	2.6	_____%
Maintenance and Repair Payroll	3.1	2.6	3.4	4.4	_____%
Ticket Sales Payroll	1.4	1.1	1.7	1.8	_____%
Other Payroll	1.3	1.3	1.0	2.3	_____%
Total Payroll Expense	*15.4%*	*13.9%*	*15.8%*	*22.1%*	_____%
Payroll Taxes	*2.9%*	*2.4%*	*2.9%*	*5.8%*	_____%
Other Direct Expense	*10.4%*	*10.0%*	*10.5%*	*12.9%*	_____%
Total Direct Expense	*28.7%*	*26.3%*	*29.2%*	*40.8%*	_____%
Gross Margin	*71.3%*	*73.6%*	*70.9%*	*59.2%*	_____%
Base	92	36	29	27	

VII

REGIONAL SKI AREA CHARACTERISTICS

This chapter offers a look at ski area similarities and differences by geographic regions. Tables 53 and 54 summarize the significant ski area characteristics, while Tables 55 and 56 present the eight critical economic variables by geographic location. Tables 57 through 62 contain average regional area income statements based on both gross fixed assets and revenue. Tables 63 and 64 illustrate lift department direct costs. Tables 65 and 66 break out the regional balance sheets. Tables 67 through 74 summarize departmental breakdowns.

OBSERVATIONS

The larger areas are found in the Rockies and the West, where the mountains are larger and the snow cover typically deeper and more dependable. This also means that the Rockies contain a larger share of the vacation areas, while the other regions are heavy on day–use areas. There are many more beds at Rockies areas, again indicative of their focus on vacation destination resorts.

Eastern and Midwestern areas depend heavily upon snowmaking.

Divisions of terrain by level of difficulty appear rather standard all across the nation. This can be misleading, as each ski area classifies their terrain in relation to other terrain at that area. Terrain classified in Colorado as "more difficult" (intermediate) might be classified as "most difficult" (expert) in Wisconsin.

Variations in profitability are most evident when analyzing data according to this geographic regional breakdown. Winter weather is the most significant factor, followed by population concentrations.

OPERATING PROFIT ON GFA

Table 52 summarizes the critical performance variable *operating profit on GFA* for each region over the past five seasons. Only Western Canada improved in 1989–90. All of the other regions declined.

The Western Canada region reported operating profit on GFA of 14.0% in 1989–90, a vast improvement over the 6% recorded in 1988–89.

The New England region and the East recorded 6.2% and 5.1%, respectively, which was a decent performance in light of the snow conditions.

The Northern Rockies reported 10.1%, and the Central Rockies reported 7.4%, which was also the figure for the average area. The Midwest posted 6.1%.

The California and Nevada region recorded a 6.6% performance. The Pacific Northwest showed a large decline, recording a negative figure. While poor weather plagued many regions, it hurt the Pacific Northwest the most.

TABLE 52

FIVE-YEAR COMPARISON

OPERATING PROFIT ON GFA

	1989–90	1988–89	1987–88	1986–87	1985–86
Geographic Location					
New England	6.2%	6.6%	8.8%	13.6%	8.1%
East	5.1	9.2	12.5	12.4	10.7
Midwest	6.1	9.5	12.9	7.5	8.0
Central Rockies	7.4	9.9	0.9	4.3	2.2
Northern Rockies	10.1	12.7	4.0	2.1	0.6
California and Nevada	6.6	9.2	5.9	Loss	6.4
Pacific Northwest	– 0.4	8.1	9.4	8.4	3.9[a]
Western Canada	14.0	6.0	9.6	3.5	—[a]
Total Sample	7.4%	8.4%	6.8%	4.9%	5.2%

[a] Before 1986–87, the Pacific Northwest and Western Canada were combined into one region.

Tables 53 through 74 follow on successive pages.

TABLE 53

AVERAGE SKI AREA CHARACTERISTICS, BY GEOGRAPHIC LOCATION

EASTERN AND MIDWESTERN REGIONS

	New England	East	Midwest
Size			
VTF/Hour (000)	9,686	4,952	2,176
Gross Fixed Assets (000)	$19,586	$10,308	$2,895
Skiable Acres	234	131	74
Total Acres	1,756	964	301
Location			
Within 50 Miles of SMSA	31%	33%	50%
With 6 or More Areas within 1 Hour	77%	33%	7%
Site Characteristics			
Number of Beds at Base	1,453	529	123
Number of Beds within 10 miles	4,760	3,416	1,459
With Snowmaking	100%	100%	93%
With Night Skiing	31%	67%	93%
Terrain			
Beginner	27%	28%	27%
Intermediate	50%	47%	48%
Expert	23%	26%	25%
Business Characteristics			
Operating with USFS Permit	23%	0%	0%
Engaged in Land Development	65%	61%	14%
Operational Characteristics			
Average Days/Nights of Operation	123	101	133
Average Peak Day Crowd	5,926	4,843	2,376
Average Skier Visits (000)	271	158	69
Average Age of Ski Areas	35	26	32
Economic Characteristics			
Average Revenue/Skier Visit	$ 24.74	$ 23.64	$ 18.57
Average Lift Ticket Revenue/Skier Visit	$ 19.98	$ 18.53	$ 13.33
Average Adult Lift Ticket Price			
Weekend	$ 31.11	$ 29.92	$ 22.70
Weekday	$ 26.58	$ 24.61	$ 16.91
Average Night Ticket Price			
Weekend	$ 16.75	$ 19.00	$ 13.79
Weekday	$ 16.75	$ 17.83	$ 13.29
Average Adult Season Ticket Price	$ 609	$ 417	$ 279
Average Utilization	33.4%	46.6%	33.4%
Average Profit (Loss) before Tax	$ 338	$ 145	$ 88
Ratio: Revenue/GFA	37.2%	39.0%	48.6%
Base	26	18	14

TABLE 54

AVERAGE SKI AREA CHARACTERISTICS, BY GEOGRAPHIC LOCATION

WESTERN REGIONS

	Central Rockies	Northern Rockies	California and Nevada	Pacific Northwest	Western Canada
Size					
VTF/Hour (000)	12,202	8,065	12,141	8,481	8,393
Gross Fixed Assets (000)	$23,339	$11,302	$20,229	$10,676	$16,789
Skiable Acres	803	1,335	1,210	1,453	728
Total Acres	2,747	2,510	2,141	2,641	3,185
Location					
Within 50 Miles of SMSA	14%	50%	27%	50%	33%
With 6 or More Areas within 1 Hour	19%	29%	47%	0%	0%
Site Characteristics					
Number of Beds at Base	3,812	886	437	146	840
Number of Beds within 10 miles	7,140	3,747	8,665	523	2,480
With Snowmaking	86%	50%	67%	20%	33%
With Night Skiing	10%	29%	20%	80%	40%
Terrain					
Beginner	25%	17%	22%	22%	25%
Intermediate	44%	46%	51%	47%	44%
Expert	30%	36%	28%	32%	30%
Business Characteristics					
Operating with USFS Permit	86%	79%	87%	90%	0%
Engaged in Land Development	33%	14%	13%	10%	53%
Operational Characteristics					
Average Days/Nights of Operation	111	114	116	105	136
Average Peak Day Crowd	6,129	4,342	6,121	5,656	4,589
Average Skier Visits (000)	358	181	282	185	231
Average Age of Ski Areas	30	31	28	30	26
Economic Characteristics					
Average Revenue/Skier Visit	$ 24.18	$ 22.82	$ 32.00	$ 16.62	$ 24.81
Average Lift Ticket Revenue/Skier Visit	$ 20.51	$ 19.73	$ 26.41	$ 13.58	$ 20.20
Average Adult Lift Ticket Price					
Weekend	$ 27.04	$ 23.86	$ 29.50	$ 20.90	$ 26.60
Weekday	$ 26.90	$ 22.71	$ 28.10	$ 17.05	$ 26.62
Average Night Ticket Price					
Weekend	$ 16.50	$ 8.25	$ 17.33	$ 13.94	$ 17.83
Weekday	$ 16.50	$ 8.25	$ 16.00	$ 11.06	$ 17.83
Average Adult Season Ticket Price	$ 415	$ 437	$ 509	$ 408	$ 454
Average Utilization	36.0%	26.2%	24.2%	25.8%	30.2%
Average Profit (Loss) before Tax	$ 647	$ 958	$ 800	$ (352)	$ 1,579
Ratio: Revenue/GFA	38.9%	44.8%	46.3%	30.4%	42.2%
Base	21	14	15	10	15

TABLE 55

ECONOMIC RATIOS, BY GEOGRAPHIC LOCATION

EASTERN AND MIDWESTERN REGIONS

Text Note[n]	Factor or Ratio	Key	New England	East	Midwest
	KEY FACTORS				
	VTF/Hour (000)[a]	A	9,686	4,952	2,176
	VTF/Hour—Demand/Skier Capacity	B	1,500	1,500	1,500
	Skier Capacity[b]	C	6,457	3,302	1,450
	Days/Nights of Operation[a]	D	123	101	133
	Season Capacity (000)	E	810	339	208
	Day Season Capacity (000)		739	259	133
	Night Season Capacity (000)		230	130	80
	Actual Skier Visits (000)[a]	F	271	158	69
	Day Skier Visits (000)[c]		250	136	50
	Night Skier Visits (000)[c]		68	47	21
	Profit (Loss) before Tax (000)[d]	G	$ 338	$ 145	$ 88
	Plus: Depreciation (000)[d]	H	$ 1,096	$ 634	$ 151
	Before-Tax Cash Flow (000)[e]	I	$ 1,434	$ 780	$ 240
	Operating Profit (Loss) (000)[d]	J	$ 1,215	$ 526	$ 176
	Cash Operating Costs (000)[f]	K	$ 4,971	$ 2,859	$1,079
	Gross Fixed Assets (000)[d]	L	$19,586	$10,308	$2,895
	Long-Term Debt (000)[g]	M	$ 8,038	$ 3,657	$ 529
	Equity (000)[h]	N	$ 5,775	$ 2,847	$ 783

Continued ...

TABLE 55 (CONTINUED)

ECONOMIC RATIOS, BY GEOGRAPHIC LOCATION

EASTERN AND MIDWESTERN REGIONS

Text Note[n]	Factor or Ratio	New England	East	Midwest
	CRITICAL RATIOS			
1,A	*Health (Debt to Cash Flow)*[i]	5.6X	4.7X	2.2X
B	*Profitability*			
2	Operating Profit on GFA[j]	6.2%	5.1%	6.1%
3	Profit (BT) on Equity[k]	5.9%	5.1%	11.3%
C	*Performance*			
4	Average Utilization[a]	33.4%	46.6%	33.4%
	Day Utilization	33.8%	52.4%	37.4%
	Night Utilization	29.5%	36.1%	26.2%
5	Days/Nights of Operation[a]	123	101	133
D	*Policy and Planning*			
6	Capital Cost/Capacity[l]	$3,033	$3,122	$1,996
7	Operating Cost/Capacity[m]	$ 6.14	$ 8.44	$ 5.19
E	*Revenue/Skier Visit (Average for All Areas)*			
	Ski Lift Gross	$ 19.98	$ 18.53	$ 13.33
	Ski School Margin	$ 0.85	$ 0.75	$ 0.33
	Food Service Margin	$ 1.12	$ 0.86	$ 0.80
	Bar Margin	$ 0.48	$ 0.66	$ 0.54
	Ski Shop Margin	$ 0.81	$ 0.35	$ 0.32
	Ski Rental Margin	$ 0.81	$ 1.72	$ 2.07
	Other Margin	$ (0.03)	$ 0.35	$ 0.29
8	*Total, Revenue/Skier Visit*	*$24.03*	$ 23.22	*$ 17.68*
	Base	26	18	14

[a] See Table 53.

[b] C = A / B.

[c] See Table 18.

[d] See Tables 53 and 57.

[e] I = G + H.

[f] Using figures from Table 57, K = Total Revenue — Profit (Loss) before Tax — Depreciation and Amortization — Interest.

[g] Using figures from Table 65, M = Long-term Debt + Subordinated Debt.

[h] Using figures from Table 65, N = Invested Net Worth + Retained Earnings — Treasury Stock.

[i] Ratio = M / I.

[j] Ratio = J / L.

[k] Ratio = G / N.

[l] Ratio = L / C.

[m] Ratio = K / E.

[n] See Pages 31–37 for related Text Notes.

TABLE 56

ECONOMIC RATIOS, BY GEOGRAPHIC LOCATION

WESTERN REGIONS

Text Note[n]	Factor or Ratio	Key	Central Rockies	Northern Rockies	California and Nevada	Pacific Northwest	Western Canada
			Key Factors				
	VTF/Hour (000)[a]	A	12,202	8,065	12,141	8,481	8,393
	VTF/Hour—Demand/Skier Capacity	B	1,500	1,500	1,500	1,500	1,500
	Skier Capacity[b]	C	8,135	5,377	8,094	5,654	5,595
	Days/Nights of Operation[a]	D	111	114	116	105	136
	Season Capacity (000)	E	995	690	1,162	717	766
	Day Season Capacity (000)		991	656	1144	606	722
	Night Season Capacity (000)		45	119	88	158	109
	Actual Skier Visits (000)[a]	F	358	181	282	185	231
	Day Skier Visits (000)[c]		372	177	277	160	231
	Night Skier Visits (000)[c]		13	14	25	31	35
	Profit (Loss) before Tax (000)[d]	G	$ 647	$ 958	$ 800	$ (352)	$ 1,579
	Plus: Depreciation (000)[d]	H	$ 1,511	$ 643	$ 1,431	$ 637	$ 909
	Before-Tax Cash Flow (000)[e]	I	$ 2,158	$ 1,601	$ 2,231	$ 285	$ 2,488
	Operating Profit (Loss) (000)[d]	J	$ 1,727	$ 1,138	$ 1,335	$ (46)	$ 2,345
	Cash Operating Costs (000)[f]	K	$ 5,843	$ 3,282	$ 6,593	$ 2,652	$ 3,836
	Gross Fixed Assets (000)[d]	L	$23,339	$11,302	$20,229	$10,676	$16,789
	Long-Term Debt (000)[g]	M	$13,514	$ 1,646	$ 4,126	$ 3,200	$ 7,588
	Equity (000)[h]	N	$ 9,682	$ 4,770	$ 6,552	$ 2,840	$ 5,927

Continued ...

TABLE 56 (CONTINUED)

ECONOMIC RATIOS, BY GEOGRAPHIC LOCATION

WESTERN REGIONS

Text Note[n]	Factor or Ratio	Central Rockies	Northern Rockies	California and Nevada	Pacific Northwest	Western Canada
	CRITICAL RATIOS					
1,A	*Health (Debt to Cash Flow)*[j]	6.3X	1.0X	1.8X	Loss	3.1X
B	*Profitability*					
2	Operating Profit on GFA[i]	7.4%	10.1%	6.6%	– 0.4%	14.0%
3	Profit (BT) on Equity[k]	6.7%	20.1%	12.2%	– 12.4%	26.6%
C	*Performance*					
4	Average Utilization[a]	36.0%	26.2%	24.2%	25.8%	30.2%
	Day Utilization	37.5%	26.9%	24.2%	26.4%	32.0%
	Night Utilization	29.0%	11.6%	28.4%	19.6%	32.3%
5	Days/Nights of Operation[a]	111	114	116	105	136
D	*Policy and Planning*					
6	Capital Cost/Capacity[l]	$2,869	$2,102	$2,499	$1,888	$3,001
7	Operating Cost/Capacity[m]	$ 5.87	$ 4.76	$ 5.67	$ 3.70	$ 5.01
E	*Revenue/Skier Visit (Average for All Areas)*					
	Ski Lift Gross	$ 20.51	$ 19.73	$ 26.41	$ 13.58	$ 20.20
	Ski School Margin	$ 1.47	$ 0.87	$ 0.72	$ 0.26	$ 0.70
	Food Service Margin	$ 0.94	$ 0.68	$ 1.46	$ 0.80	$ 0.85
	Bar Margin	$ 0.23	$ 0.19	$ 0.58	$ 0.41	$ 0.28
	Ski Shop Margin	$ 0.15	$ 0.49	$ 0.67	$ 0.48	$ 0.49
	Ski Rental Margin	$ 0.39	$ 0.35	$ 1.00	$ 0.74	$ 0.81
	Other Margin	$ 0.40	$ 0.16	$ 0.55	$ (0.34)	$ 0.32
B	*Total Revenue/Skier Visit*	*$ 24.09*	*$ 22.48*	*$ 31.40*	*$ 15.91*	*$ 23.64*
	Base	21	14	15	10	15

[a] See Table 54.

[b] C = A / B.

[c] See Table 18.

[d] See Tables 54 and 58.

[e] I = G + H.

[f] Using figures from Table 58, K = Total Revenue — Profit (Loss) before Tax — Depreciation and Amortization — Interest.

[g] Using figures from Table 66, M = Long-term Debt + Subordinated Debt.

[h] Using figures from Table 66, N = Invested Net Worth + Retained Earnings — Treasury Stock.

[i] Ratio = M / I.

[j] Ratio = J / L.

[k] Ratio = G / N.

[l] Ratio = L / C.

[m] Ratio = K / E.

[n] See Pages 31–37 for related Text Notes.

TABLE 57

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY GEOGRAPHIC LOCATION

EASTERN AND MIDWESTERN REGIONS

	New England	East	Midwest
Gross Fixed Assets	*$19,586*	*$10,308*	*$2,895*
Revenue			
Ski Lift Gross—Winter	$ 5,407	$ 2,924	$ 925
Ski Lift Gross—Summer	40	0	2
Supporting Margin—Winter	1,398	872	380
Supporting Margin—Summer	215	99	84
Year-Round Margin	220	125	15
Total Revenue	*$ 7,281*	*$ 4,019*	*$1,407*
Expenses and Allocations			
Ski Lift Direct Expense	$ 1,145	$ 715	$ 304
Payroll Taxes	110	97	27
Property Operation	430	138	63
Subtotal, Expenses and Allocations	*$ 1,685*	*$ 950*	*$394*
Operations Margin	*$ 5,596*	*$ 3,069*	*$1,012*
Common Expenses			
General and Administrative	$ 1,186	$ 515	$ 278
Marketing (advertising, public relations, promotion, etc.)	703	321	93
Insurance (property, liability)	407	331	134
Land Use Fees (public)	53	1	3
Land Use Fees (private)	27	99	7
Property Taxes	117	61	27
Other Taxes (except income)	56	21	20
Snowmaking	511	488	100
Snow Removal	23	1	2
Miscellaneous	201	71	21
Depreciation and Amortization	1,096	634	151
Subtotal, Common Expenses	*$ 4,380*	*$ 2,543*	*$ 836*
Operating Profit (Loss)	*$ 1,215*	*$ 526*	*$ 176*
Interest Expense	*$ 877*	*$ 380*	*$ 88*
Profit (Loss) before Tax	*$ 338*	*$ 145*	*$ 88*
Base	226	18	14

TABLE 58

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY GEOGRAPHIC LOCATION

WESTERN REGIONS

	Central Rockies	Northern Rockies	California and Nevada	Pacific Northwest	Western Canada
Gross Fixed Assets	*$23,339*	*$11,302*	*$20,229*	*$10,676*	*$16,789*
Revenue					
Ski Lift Gross—Winter	$ 7,342	$ 3,564	$ 7,435	$ 2,512	$ 4,670
Ski Lift Gross—Summer	42	52	49	76	250
Supporting Margin—Winter	1,352	549	1,520	497	828
Supporting Margin—Summer	(29)	7	119	101	23
Year-Round Margin	374	891	237	57	1,318
Total Revenue	*$ 9,081*	*$ 5,063*	*$ 9,360*	*$ 3,243*	*$ 7,090*
Expenses and Allocations					
Ski Lift Direct Expense	$ 1,951	$ 1,142	$ 1,869	$ 892	$ 1,826
Payroll Taxes	270	93	243	129	58
Property Operation	153	137	497	237	81
Subtotal, Expenses and Allocations	*$ 2,374*	*$ 1,372*	*$ 2,609*	*$ 1,258*	*$ 1,965*
Operations Margin	*$ 6,706*	*$ 3,691*	*$ 6,750*	*$ 1,985*	*$ 5,125*
Common Expenses					
General and Administrative	$ 956	$ 572	$ 2,100	$ 652	$ 858
Marketing (advertising, public relations, promotion, etc.)	791	400	503	262	361
Insurance (property, liability)	400	307	594	254	137
Land Use Fees (public)	326	68	163	84	96
Land Use Fees (private)	9	96	36	0	1
Property Taxes	216	86	183	89	94
Other Taxes (except income)	12	48	25	19	9
Snowmaking	259	121	262	6	76
Snow Removal	9	13	51	25	16
Miscellaneous	490	199	66	4	222
Depreciation and Amortization	1,511	643	1,431	637	909
Subtotal, Common Expenses	*$ 4,979*	*$ 2,553*	*$ 5,414*	*$ 2,032*	*$ 2,779*
Operating Profit (Loss)	*$ 1,727*	*$ 1,138*	*$ 1,335*	*$ (46)*	*$ 2,345*
Interest Expense	*$ 1,080*	*$ 180*	*$ 535*	*$306*	*$ 766*
Profit (Loss)before Tax	*$ 647*	*$ 958*	*$ 800*	*$ (352)*	*$ 1,579*
Base	21	14	15	10	15

TABLE 59

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY GEOGRAPHIC LOCATION

PERCENT OF GROSS FIXED ASSETS

EASTERN AND MIDWESTERN REGIONS

	New England	East	Midwest
Gross Fixed Assets	***100.0%***	***100.0%***	***100.0%***
Revenue			
Ski Lift Gross—Winter	27.6%	28.4%	31.9%
Ski Lift Gross—Summer	0.2	0.0	0.1
Supporting Margin—Winter	7.1	8.5	13.1
Supporting Margin—Summer	1.1	1.0	2.9
Year-Round Margin	1.1	1.2	0.5
Total Revenue	***37.2%***	***39.0%***	***48.6%***
Expenses and Allocations			
Ski Lift Direct Expense	5.8%	6.9%	10.5%
Payroll Taxes	0.6	0.9	0.9
Property Operation	2.2	1.3	2.2
Subtotal, Expenses and Allocations	*8.6%*	*9.1%*	*13.6%*
Operations Margin	***28.6%***	***29.8%***	***35.0%***
Common Expenses			
General and Administrative	6.1%	5.0%	9.6%
Marketing (advertising, public relations, promotion, etc.)	3.6	3.1	3.2
Insurance (property, liability)	2.1	3.2	4.6
Land Use Fees (public)	0.3	0.0	0.1
Land Use Fees (private)	0.1	1.0	0.2
Property Taxes	0.6	0.6	0.9
Other Taxes (except income)	0.3	0.2	0.7
Snowmaking	2.6	4.7	3.4
Snow Removal	0.1	0.0	0.1
Miscellaneous	1.0	0.7	0.7
Depreciation and Amortization	5.6	6.2	5.2
Subtotal, Common Expenses	*22.4%*	*24.7%*	*28.7%*
Operating Profit (Loss)	***6.2%***	***5.1%***	***6.1%***
Interest Expense	*4.5%*	*3.7%*	*3.0%*
Profit (Loss)before Tax	***1.7%***	***1.4%***	***3.0%***
Base	26	18	14

TABLE 60

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY GEOGRAPHIC LOCATION

PERCENT OF GROSS FIXED ASSETS

WESTERN REGIONS

	Central Rockies	Northern Rockies	California and Nevada	Pacific Northwest	Western Canada
Gross Fixed Assets	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Revenue					
Ski Lift Gross—Winter	31.5%	31.5%	36.8%	23.5%	27.8%
Ski Lift Gross—Summer	0.2	0.5	0.2	0.7	1.5
Supporting Margin—Winter	5.8	4.9	7.5	4.7	4.9
Supporting Margin—Summer	– 0.1	0.1	0.6	0.9	0.1
Year-Round Margin	1.6	7.9	1.2	0.5	7.9
Total Revenue	*38.9%*	*44.8%*	*46.3%*	*30.4%*	*42.2%*
Expenses and Allocations					
Ski Lift Direct Expense	8.4%	10.1%	9.2%	8.4%	10.9%
Payroll Taxes	1.2	0.8	1.2	1.2	0.3
Property Operation	0.7	1.2	2.5	2.2	0.5
Subtotal, Expenses and Allocations	*10.3%*	*12.1%*	*12.9%*	*11.8%*	*11.7%*
Operations Margin	*28.7%*	*32.7%*	*33.4%*	*18.6%*	*30.5%*
Common Expenses					
General and Administrative	4.1%	5.1%	10.4%	6.1%	5.1%
Marketing (advertising, public relations, promotion, etc.)	3.4	3.5	2.5	2.5	2.2
Insurance (property, liability)	1.7	2.7	2.9	2.4	0.8
Land Use Fees (public)	1.4	0.6	0.8	0.8	0.6
Land Use Fees (private)	0.0	0.8	0.2	0.0	0.0
Property Taxes	0.9	0.8	0.9	0.8	0.6
Other Taxes (except income)	0.1	0.4	0.1	0.2	0.1
Snowmaking	1.1	1.1	1.3	0.1	0.5
Snow Removal	0.0	0.1	0.3	0.2	0.1
Miscellaneous	2.1	1.8	0.3	0.0	1.3
Depreciation and Amortization	6.5	5.7	7.1	6.0	5.4
Subtotal, Common Expenses	*21.3%*	*22.6%*	*26.8%*	*19.1%*	*16.7%*
Operating Profit (Loss)	*7.4%*	*10.1%*	*6.6%*	*– 0.4%*	*14.0%*
Interest Expense	*4.6%*	*1.6%*	*2.6%*	*2.9%*	*4.6%*
Profit (Loss) Before Tax	*2.8%*	*8.5%*	*4.0%*	*– 3.3%*	*9.4%*
Base	21	14	15	10	15

TABLE 61

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY GEOGRAPHIC LOCATION

PERCENT OF REVENUE

EASTERN AND MIDWESTERN REGIONS

	New England	East	Midwest
Revenue			
Ski Lift Gross—Winter	74.3%	72.8%	65.7%
Ski Lift Gross—Summer	0.6	0.0	0.1
Supporting Margin—Winter	19.2	21.7	27.0
Supporting Margin—Summer	3.0	2.5	6.0
Year-Round Margin	3.0	3.1	1.1
TOTAL REVENUE	*100.0%*	*100.0%*	*100.0%*
Expenses and Allocations			
Ski Lift Direct Expense	15.7%	17.8%	21.6%
Payroll Taxes	1.5	2.4	1.9
Property Operation	5.9	3.4	4.5
SUBTOTAL, EXPENSES AND ALLOCATIONS	*23.1%*	*23.6%*	*28.0%*
OPERATIONS MARGIN	*76.9%*	*76.4%*	*71.9%*
Common Expenses			
General and Administrative	16.3%	12.8%	19.8%
Marketing (advertising, public relations, promotion, etc.)	9.7	8.0	6.6
Insurance (property, liability)	5.6	8.2	9.5
Land Use Fees (public)	0.7	0.0	0.2
Land Use Fees (private)	0.4	2.5	0.5
Property Taxes	1.6	1.5	1.9
Other Taxes (except income)	0.8	0.5	1.4
Snowmaking	7.0	12.1	7.1
Snow Removal	0.3	0.0	0.2
Miscellaneous	2.8	1.8	1.5
Depreciation and Amortization	15.0	15.8	10.8
SUBTOTAL, COMMON EXPENSES	*60.2%*	*63.2%*	*59.5%*
OPERATING PROFIT (LOSS)	*16.7%*	*13.1%*	*12.5%*
INTEREST EXPENSE	*12.0%*	*9.5%*	*6.3%*
PROFIT (LOSS) BEFORE TAX	*4.6%*	*3.6%*	*6.3%*
Base	26	18	14

TABLE 62

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY GEOGRAPHIC LOCATION

PERCENT OF REVENUE

WESTERN REGIONS

	Central Rockies	Northern Rockies	California and Nevada	Pacific Northwest	Western Canada
Revenue					
Ski Lift Gross—Winter	80.8%	70.4%	79.4%	77.4%	65.9%
Ski Lift Gross—Summer	0.5	1.0	0.5	2.3	3.5
Supporting Margin—Winter	14.9	10.8	16.2	15.3	11.7
Supporting Margin—Summer	– 0.3	0.1	1.3	3.1	0.3
Year-Round Margin	4.1	17.6	2.5	1.8	18.6
Total Revenue	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Expenses and Allocations					
Ski Lift Direct Expense	21.5%	22.6%	20.0%	27.5%	25.8%
Payroll Taxes	3.0	1.8	2.6	4.0	0.8
Property Operation	1.7	2.7	5.3	7.3	1.1
Subtotal, Expenses and Allocations	*26.2%*	*27.1%*	*27.9%*	*38.8%*	*27.7%*
Operations Margin	*73.8%*	*72.9%*	*72.1%*	*61.2%*	*72.3%*
Common Expenses					
General and Administrative	10.5%	11.3%	22.4%	20.1%	12.1%
Marketing (advertising, public relations, promotion, etc.)	8.7	7.9	5.4	8.1	5.1
Insurance (property, liability)	4.4	6.1	6.4	7.8	1.9
Land Use Fees (public)	3.6	1.4	1.7	2.6	1.4
Land Use Fees (private)	0.1	1.9	0.4	0.0	0.0
Property Taxes	2.4	1.7	2.0	2.7	1.3
Other Taxes (except income)	0.1	0.9	0.3	0.6	0.1
Snowmaking	2.9	2.4	2.8	0.2	1.1
Snow Removal	0.1	0.3	0.5	0.8	0.2
Miscellaneous	5.4	3.9	0.7	0.1	3.1
Depreciation and Amortization	16.6	12.7	15.3	19.6	12.8
Subtotal, Common Expenses	*54.8%*	*50.5%*	*57.9%*	*62.6%*	*39.1%*
Operating Profit (Loss)	*19.0%*	*22.5%*	*14.3%*	*– 1.4%*	*33.1%*
Interest Expense	*11.9%*	*3.6%*	*5.7%*	*9.4%*	*10.8%*
Profit (Loss) before Tax	*7.1%*	*18.9%*	*8.5%*	*– 10.9%*	*22.3%*
Base	21	14	15	10	15

TABLE 63

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN, BY GEOGRAPHIC LOCATION

EASTERN AND MIDWESTERN REGIONS

	New England	East	Midwest
Ski Lift Gross Revenue (Winter)	*100.0%*	*100.0%*	*100.0%*
Direct Labor Expense			
Ski Lift Payroll	4.5%	4.6%	12.5%
Ski Patrol Payroll	1.9	1.9	0.6
Slope Maintenance Payroll	2.0	2.0	0.9
Maintenance and Repair Payroll	2.7	3.2	4.2
Ticket Sales Payroll	1.4	1.0	1.1
Other Payroll	0.8	0.9	0.9
Total Payroll Expense	*13.3%*	*13.5%*	*20.1%*
Payroll Taxes	*2.0%*	*2.9%*	*3.6%*
Other Direct Expense	*9.0%*	*7.8%*	*11.9%*
Total Direct Expense	*24.3%*	*24.2%*	*35.6%*
Gross Margin	*75.7%*	*75.8%*	*64.4%*
Base	20	12	7

TABLE 64

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN, BY GEOGRAPHIC LOCATION

WESTERN REGIONS

	Central Rockies	Northern Rockies	California and Nevada	Pacific North-west	Western Canada
Ski Lift Gross Revenue (Winter)	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Direct Labor Expense					
Ski Lift Payroll	4.9%	5.5%	5.1%	8.2%	4.7%
Ski Patrol Payroll	2.6	3.6	2.2	2.7	2.2
Slope Maintenance Payroll	1.9	2.5	2.5	2.0	2.7
Maintenance and Repair Payroll	2.3	3.5	2.7	5.6	5.0
Ticket Sales Payroll	1.5	1.4	1.3	1.5	1.4
Other Payroll	1.8	1.2	1.7	1.0	0.9
Total Payroll Expense	*15.2%*	*17.6%*	*15.5%*	*21.0%*	*16.9%*
Payroll Taxes	*3.6%*	*2.0%*	*3.6%*	*4.9%*	*1.4%*
Other Direct Expense	*10.2%*	*11.6%*	*12.0%*	*11.8%*	*12.6%*
Total Direct Expense	*28.9%*	*31.3%*	*31.0%*	*37.8%*	*30.9%*
Gross Margin	*71.1%*	*68.7%*	*69.0%*	*62.2%*	*69.1%*
Base	15	9	10	8	11

TABLE 65

AVERAGE SKI AREA FINANCIAL DATA—BALANCE SHEET, BY GEOGRAPHIC LOCATION

EASTERN AND MIDWESTERN REGIONS

	New England	East	Midwest
Assets			
Current Assets	$ 2,301	$1,215	$ 290
Gross Fixed Assets	19,849	10,308	2,902
Minus: Depreciation	(7,134)	(4,773)	(1,578)
Other Assets	1,999	967	76
Total Assets	***$17,016***	***$7,717***	***$1,691***
Liabilities			
Current Liabilities	$2,054	$640	$ 369
Long-Term Debt	6,212	3,119	481
Subordinated Debt	1,827	537	48
Deferred Taxes	553	284	9
Other Liabilities	596	289	0
Subtotal, Liabilities	***$11,242***	***$4,869***	***$ 907***
Net Worth			
Invested	$ 4,062	$952	$ 377
Retained Earnings	1,763	2,048	428
Minus: Treasury Stock	(50)	(152)	(22)
Subtotal, Net Worth	***$ 5,775***	***$2,848***	***$ 783***
Total Liabilities and Net Worth	***$17,016***	***$7,717***	***$1,691***
Base	25	18	13

TABLE 66

AVERAGE SKI AREA FINANCIAL DATA—BALANCE SHEET, BY GEOGRAPHIC LOCATION

WESTERN REGIONS

	Central Rockies	Northern Rockies	California and Nevada	Pacific Northwest	Western Canada
Assets					
Current Assets	$ 3,143	$1,165	$ 1,699	$ 689	$ 1,769
Gross Fixed Assets	25,341	11,302	20,229	12,505	16,789
Minus: Depreciation	(7,774)	(5,036)	(10,887)	(5,846)	(4,145)
Other Assets	4,880	913	1,438	228	1,652
Total Assets	***$25,591***	***$8,344***	***$12,480***	***$7,576***	***$16,065***
Liabilities					
Current Liabilities	$ 2,280	$1,292	$ 1,210	$1,156	$ 1,986
Long-Term Debt	10,803	1,456	2,375	2,860	4,093
Subordinated Debt	2,711	190	1,750	340	3,495
Deferred Taxes	85	90	24	203	307
Other Liabilities	30	546	568	177	258
Subtotal, Liabilities	***$15,909***	***$3,574***	***$ 5,927***	***$4,736***	***$10,139***
Net Worth					
Invested	$ 9,124	$1,228	$ 3,079	$1,226	$ 5,564
Retained Earnings	586	3,555	3,474	1,614	363
Minus: Treasury Stock	(27)	(12)	(0)	(0)	(0)
Subtotal, Net Worth	***$ 9,683***	***$4,771***	***$ 6,553***	***$2,840***	***$ 5,927***
Total Liabilities and Net Worth	***$25,591***	***$8,344***	***$12,480***	***$7,576***	***$16,065***
Base	19	14	15	8	15

TABLE 67

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

NEW ENGLAND SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$19.98	100.0%	—%	12.3%	8.4%	1.9%	*77.4%*	26
Ski School	2.04	100.0	—	40.6	6.5	6.7	*46.3*	23
Food Service	5.09	100.0	29.6	24.1	13.1	2.9	*30.8*	16
Bar	1.56	100.0	23.0	14.5	13.1	2.2	*48.0*	15
Retail	4.08	100.0	52.9	9.8	6.8	1.4	*29.1*	15
Rental	1.53	100.0	12.3[b]	16.9	4.9	3.0	*62.8*	20
Accommodations	—	100.0	—	22.0	40.6	3.6	*33.8*	14
Other	1.54	100.0	2.7	54.0	30.2	15.8	*−2.6*	23
Total (per skier visit)	*$35.83*							
Year-Round								
Real Estate		100.0%	46.3%	10.3%	8.7%	1.2%	*33.5%*	11
Utility		100.0	—	37.8	38.5	9.7	*14.0*	6
Miscellaneous		100.0	4.6	11.1	23.7	1.2	*59.4*	16
Summer Season								
Lift Department		100.0%	—%	52.3%	13.1%	10.5%	*24.1%*	8
Food Service		100.0	33.9	39.1	15.1	3.8	*8.1*	12
Retail		100.0	49.5	26.0	12.2	4.4	*8.0*	11
Sports		100.0	—	34.6	28.4	3.3	*35.9*	7
Accommodations		100.0	—	39.7	32.9	6.0	*21.4*	9
Summer Slide		100.0	0.0	20.9	13.8	3.0	*62.4*	7
Other		100.0	4.7	55.1	129.0	29.6	*−118.3*	12

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 68

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

EAST SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$18.53	100.0%	—%	15.7%	8.7%	3.3%	*72.2%*	18
Ski School	1.84	100.0	—	42.8	7.3	9.3	*40.6*	18
Food Service	4.15	100.0	34.9	25.6	11.5	5.2	*24.2*	13
Bar	2.07	100.0	23.7	16.7	11.6	2.3	*46.1*	11
Retail	1.90	100.0	51.9	12.8	11.6	1.2	*22.6*	6
Rental	2.81	100.0	10.8[b]	18.0	3.3	3.6	*64.3*	16
Accommodations	—	100.0	—	23.4	21.5	13.3	*41.8*	8
Other	0.59	100.0	1.3	15.7	13.9	3.7	*65.3*	13
Total (per skier visit)	*$31.90*							
Year-Round								
Real Estate		—%	23.3%	3.6%	19.7%	0.0%	*53.5%*	1
Utility		100.0	—	45.0	38.2	11.4	*5.5*	1
Miscellaneous		100.0	29.1	6.5	6.6	1.0	*56.8*	11
Summer Season								
Lift Department		100.0%	—%	—%	—%	—%	—%	0
Food Service		100.0	37.3	36.9	10.2	5.1	*10.5*	5
Retail		100.0	50.9	38.1	6.9	0.0	*4.1*	1
Sports		100.0	—	46.5	41.3	4.1	*8.1*	5
Accommodations		100.0	—	31.4	22.8	0.6	*45.2*	2
Summer Slide		100.0	0.0	30.1	15.3	7.0	*47.6*	3
Other		100.0	0.0	0.0	0.0	0.0	*100.0*	1

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 69

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

MIDWEST SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$13.33	100.0%	—%	17.9%	12.9%	2.9%	*66.2%*	14
Ski School	1.00	100.0	—	43.8	13.6	7.2	*35.4*	11
Food Service	3.79	100.0	35.9	25.9	12.0	5.0	*21.2*	14
Bar	1.70	100.0	26.7	18.0	14.7	3.3	*37.3*	12
Retail	2.51	100.0	60.1	14.1	9.5	1.7	*14.6*	8
Rental	3.78	100.0	11.4[b]	15.7	9.0	2.6	*61.2*	12
Accommodations	—	100.0	—	29.0	25.2	3.5	*48.8*	5
Other	1.17	100.0	2.0	16.1	5.2	3.2	*73.5*	10
Total (per skier visit)	*$27.27*							
Year-Round								
Real Estate		100.0%	—%	—%	—%	—%	—%	0
Utility		—	—	—	—	—	—	0
Miscellaneous		100.0	0.0	1.4	0.0	0.5	*98.2*	7
Summer Season								
Lift Department		100.0%	—%	159.3%	833.3%	18.5%	*-911.1%*	1
Food Service		100.0	33.3	34.6	11.1	6.6	*14.5*	6
Retail		—	—	—	—	—	—	0
Sports		100.0	—	13.1	8.5	1.8	*76.6*	3
Accommodations		100.0	—	28.4	19.7	4.7	*47.2*	3
Summer Slide		100.0	—	—	—	—	—	0
Other		100.0	3.5	31.4	13.7	3.1	*48.2*	2

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 70

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

CENTRAL ROCKIES SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$20.51	100.0%	—%	15.6%	10.2%	3.6%	*70.6%*	21
Ski School	3.75	100.0	—	45.8	5.0	9.9	*39.3*	21
Food Service	3.49	100.0	27.1	27.1	11.4	4.4	*31.2*	18
Bar	0.88	100.0	24.3	27.2	12.0	3.5	*33.4*	16
Retail	1.16	100.0	50.6	19.6	9.5	5.7	*15.8*	16
Rental	0.95	100.0	13.4[b]	20.7	8.7	3.6	*53.6*	15
Accommodations	—	100.0	—	32.8	41.7	8.3	*17.1*	8
Other	1.17	100.0	3.2	41.7	10.9	8.7	*37.3*	19
Total (per skier visit)	*$31.90*							
Year-Round								
Real Estate		100.0%	66.0%	4.0%	9.2%	0.5%	*20.3%*	4
Utility		100.0	—	94.9	149.6	25.1	*−169.6*	4
Miscellaneous		100.0	0.0	10.5	19.7	0.0	*69.8*	12
Summer Season								
Lift Department		100.0%	—%	72.4%	66.1%	14.2%	*−52.7%*	5
Food Service		100.0	30.8	52.7	27.5	10.0	*−20.6*	8
Retail		100.0	69.0	16.7	14.0	3.4	*−3.1*	2
Sports		100.0	—	34.8	34.7	6.2	*24.4*	3
Accommodations		100.0	—	75.1	63.1	14.5	*−52.6*	3
Summer Slide		100.0	0.0	39.3	14.0	13.3	*33.4*	3
Other		100.0	5.3	91.7	79.4	14.4	*−86.5*	4

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 71

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

NORTHERN ROCKIES SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$19.73	100.0%	—%	18.2%	12.2%	2.4%	*67.2%*	14
Ski School	3.40	100.0	—	51.4	13.1	6.0	*29.5*	12
Food Service	3.18	100.0	34.6	31.0	9.3	5.3	*21.1*	10
Bar	0.51	100.0	26.7	21.4	11.1	3.5	*46.2*	9
Retail	0.90	100.0	33.7	9.5	2.7	1.5	*60.7*	9
Rental	0.85	100.0	24.4[b]	20.3	8.8	3.8	*42.7*	11
Accommodations	—	100.0	—	14.4	21.2	1.9	*72.0*	4
Other	0.59	100.0	0.3	18.3	36.2	2.3	*46.7*	11
Total (per skier visit)	*$29.17*							
Year-Round								
Real Estate		100.0%	25.9%	0.4%	0.8%	0.0%	*72.8%*	3
Utility		100.0	—	0.0	6.7	0.0	*93.3*	1
Miscellaneous		100.0	0.0	7.4	2.3	0.8	*91.6*	6
Summer Season								
Lift Department		100.0%	—%	58.5%	57.4%	13.2%	*-29.0%*	5
Food Service		100.0	40.5	56.5	26.6	8.0	*-31.6*	4
Retail		100.0	64.4	17.8	6.7	2.2	*11.1*	2
Sports		—	—	—	—	—	—	0
Accommodations		100.0	—	37.6	77.2	4.0	*-18.8*	1
Summer Slide		100.0	0.0	38.6	24.5	0.0	*36.9*	1
Other		100.0	5.6	42.1	49.5	1.9	*0.9*	5

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 72

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

CALIFORNIA AND NEVADA SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$26.41	100.0%	—%	14.8%	9.1%	3.2%	***73.0%***	15
Ski School	2.37	100.0	—	45.2	6.1	16.0	***32.7***	14
Food Service	4.62	100.0	34.9	20.8	7.2	4.4	***32.6***	14
Bar	1.30	100.0	22.9	11.3	4.3	2.3	***59.2***	11
Retail	3.14	100.0	53.6	14.4	2.9	2.1	***26.9***	11
Rental	2.23	100.0	12.3[b]	22.0	8.7	7.2	***49.8***	13
Accommodations	—	100.0	—	36.7	24.7	6.9	***31.7***	6
Other	1.51	100.0	8.2	18.4	22.8	6.4	***45.6***	12
TOTAL (PER SKIER VISIT)	***$41.58***							
Year-Round								
Real Estate		100.0%	32.2%	15.8%	15.2%	2.9%	***33.9%***	2
Utility		100.0	—	30.9	119.8	2.6	***−53.3***	1
Miscellaneous		100.0	6.6	3.1	8.2	0.5	***81.6***	8
Summer Season								
Lift Department		100.0%	—%	81.2%	112.1%	18.1%	***−111.4%***	6
Food Service		100.0	36.9	39.3	11.0	8.6	***4.1***	6
Retail		100.0	69.4	31.1	8.7	5.5	***−14.7***	5
Sports		100.0	—	19.3	14.2	5.7	***60.8***	1
Accommodations		100.0	—	49.4	39.6	13.6	***−2.6***	5
Summer Slide		100.0	—	—	—	—	—	0
Other		100.0	0.0	12.7	13.8	3.4	***70.2***	6

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 73

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

PACIFIC NORTHWEST SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	Gross Margin	Base
Winter Season								
Ski Lift Department	$13.58	100.0%	—%	21.4%	11.9%	4.9%	*61.8%*	10
Ski School	1.02	100.0	—	57.3	8.0	10.9	*25.3*	10
Food Service	3.27	100.0	30.9	27.8	11.3	6.1	*24.3*	10
Bar	1.24	100.0	24.0	17.1	7.5	4.7	*46.7*	7
Retail	1.92	100.0	51.2	12.9	2.6	3.5	*31.2*	8
Rental	1.81	100.0	10.4[b]	19.3	9.9	4.4	*56.1*	7
Accommodations	—	100.0	—	17.3	12.1	3.5	*68.4*	2
Other	0.84	100.0	0.0	102.0	40.8	15.7	*-58.4*	7
TOTAL (PER SKIER VISIT)	*$23.69*							
Year-Round								
Real Estate		—%	—%	—%	—%	—%	—%	0
Utility		100.0	—	12.0	37.5	1.9	*48.6*	2
Miscellaneous		100.0	0.0	1.6	2.2	0.2	*95.9*	6
Summer Season								
Lift Department		100.0%	—%	44.2%	29.1%	8.2%	*18.5%*	3
Food Service		100.0	29.3	28.2	11.2	5.4	*25.9*	4
Retail		100.0	51.4	12.0	2.2	2.8	*33.1*	3
Sports		100.0	—	56.1	7.6	12.1	*24.2*	1
Accommodations		100.0	—	15.2	11.0	1.6	*73.9*	2
Summer Slide		—	—	—	—	—	—	0
Other		100.0	0.0	33.7	128.3	5.4	*-66.3*	3

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

TABLE 74

AVERAGE SKI AREA FINANCIAL DATA—BY DEPARTMENT, AS PERCENT OF GROSS SALES

WESTERN CANADA SKI AREAS

	Gross Sales		Less				Equals	
	Per Skier Visit[a]	*Percent*	*Cost of Goods Sold*	*Direct Labor*	*Direct Other*	*Payroll Taxes*	*Gross Margin*	Base
Winter Season								
Ski Lift Department	$20.20	100.0%	—%	18.9%	13.2%	1.0%	***66.9%***	15
Ski School	2.39	100.0	—	44.8	18.7	2.7	***33.7***	13
Food Service	3.43	100.0	36.7	26.7	11.0	1.6	***25.2***	14
Bar	1.24	100.0	36.0	24.6	9.4	2.0	***28.0***	11
Retail	3.97	100.0	58.1	13.9	7.8	0.7	***19.4***	8
Rental	2.36	100.0	16.5[b]	24.0	9.1	1.4	***48.8***	9
Accommodations	—	100.0	—	33.8	42.0	2.3	***22.1***	3
Other	0.75	100.0	4.1	27.9	8.8	1.7	***57.5***	11
Total (per skier visit)	*$34.34*							
Year-Round								
Real Estate		100.0%	2.2%	0.2%	50.1%	0.0%	***47.5%***	6
Utility		100.0	—	72.4	97.1	1.9	***-71.4***	3
Miscellaneous		100.0	7.2	7.0	13.5	0.4	***72.0***	9
Summer Season								
Lift Department		100.0%	—%	78.3%	52.6%	4.9%	***-35.9%***	7
Food Service		100.0	34.4	34.8	9.4	3.6	***17.8***	5
Retail		100.0	50.3	42.0	8.1	4.4	***-4.8***	4
Sports		—	—	—	—	—	—	0
Accommodations		100.0	—	32.3	35.5	0.0	***32.3***	1
Summer Slide		—	—	—	—	—	—	0
Other		100.0	2.8	59.6	71.5	3.4	***-37.3***	5

[a] Calculations restricted to ski areas having departments listed above.

[b] Represents retirement and replacement of rental equipment.

VIII

CHARACTERISTICS BY SIZE; BY DAY, WEEKEND, AND VACATION SKI AREAS; AND BY LENGTH OF SKI SEASON

Several additional computer runs sort the data already presented into further categories. This chapter presents data with a brief discussion of relevant findings. The tables follow the chapter text.

CHARACTERISTICS BY SIZE

Tables 75 through 81 present the various statistics by ski area size. Ski areas are divided into five size increments on the basis of VTF/hour. The category "Under 2,500" contains the smallest areas, while "10,000 and Over" has the giants.

CHARACTERISTICS BY TYPE OF SKI AREA (DAY, WEEKEND, AND VACATION)

Tables 82 through 88 provide the statistics by ski area type. The ski area type categories refer to the differing markets which areas are designed to serve. Areas may be defined as day-use-oriented where skiers commute from home for the day; as weekend-use-oriented where skiers generally spend one or two nights at the area, typically on weekend outings; and as vacation-use-oriented where average stays are four days or more. Operating profit on GFA is best this year at vacation areas. Vacation areas reported the largest operating profit, the highest profit before taxes, and the largest revenue per skier visit.

CHARACTERISTICS BY LENGTH OF SEASON

Ski areas are characteristically high-fixed-cost operations with heavy investment in fixed assets and a relatively short operating season. Thus the length of the ski season tends to be a variable that is critical to profitability. Tables 89 through 95 are based on the number of days areas were open during the season, with a range from "Less than 80 Days" to "160 Days and Over." The Days/Nights of Operation figures shown in these tables are the equivalent days/nights of full operation, as discussed in Chapter II. For example, the areas grouped under the "160 Days and Over" heading were open an average of more than 160 days, but after adjustment for the proportion of facilities actually available, their average equivalent day/nights of full operation is 154.

TABLE 75

AVERAGE SKI AREA CHARACTERISTICS, BY SIZE
(000)
VTF/HOUR

	Under 2,500	2,500 to 3,999	4,000 to 5,499	5,500 to 9,999	10,000 and over
Size					
VTF/Hour (000)	1,654	3,204	4,759	7,521	20,195
Gross Fixed Assets (000)	$2,242	$6,020	$7,742	$13,444	$37,298
Skiable Acres	144	253	582	475	1,545
Total Acres	388	851	1,488	1,576	4,614
Location					
Within 50 Miles of SMSA	45%	28%	40%	33%	29%
With 6 or More Areas within 1 Hour	20%	28%	30%	47%	29%
New England	5%	14%	15%	33%	24%
East	10%	21%	25%	17%	0%
Midwest	45%	17%	0%	0%	0%
Central Rockies	5%	24%	10%	10%	24%
Northern Rockies	10%	3%	10%	17%	12%
California and Nevada	5%	7%	5%	17%	18%
Pacific Northwest	5%	10%	10%	0%	12%
Western Canada	15%	3%	25%	7%	12%
Site Characteristics					
Number of Beds at Base	61	205	726	698	3,376
Number of Beds within 10 miles	1,324	1,812	2,816	3,244	10,345
With Snowmaking	80%	79%	60%	87%	65%
With Night Skiing	45%	48%	40%	37%	41%
Terrain					
Beginner	23%	27%	25%	26%	24%
Intermediate	47%	49%	50%	46%	46%
Expert	30%	25%	26%	29%	30%
Business Characteristics					
Operating with USFS Permit	45%	38%	45%	37%	50%
Engaged in Land Development	45%	31%	30%	57%	26%
Operational Characteristics					
Average Days/Nights of Operation	97	128	106	109	135
Average Peak Day Crowd	1,552	2,735	3,945	5,091	9,978
Average Skier Visits (000)	45,247	97,153	137,766	205,190	523,535
Average Age of Ski Areas	29 years	30 years	30 years	32 years	29 years

Continued ...

TABLE 75 (CONTINUED)

AVERAGE SKI AREA CHARACTERISTICS, BY SIZE
(000)
VTF/HOUR

	Under 2,500	2,500 to 3,999	4,000 to 5,499	5,500 to 9,999	10,000 and over
Economic Characteristics					
Average Revenue/Skier Visit	$ 15.45	$ 20.35	$ 20.53	$ 22.99	$ 26.10
Average Lift Ticket Revenue/Skier Visit	$ 12.06	$ 15.56	$ 16.46	$ 19.77	$ 22.20
Average Adult Lift Ticket Price					
Weekend	$ 20.86	$ 24.17	$ 26.75	$ [illegible]75	$ 32.41
Weekday	$ 17.53	$ 20.64	$ 23.84	$ [illegible]67	$ 30.85
Average Night Ticket Price					
Weekend	$ 14.48	$ 16.18	$ 16.09	$ 16.90	$ 13.83
Weekday	$ 13.06	$ 15.56	$ 16.00	$ 16.20	$ 11.83
Average Adult Season Ticket Price	$275	$ 366	$411	$545	$ 589
Average Utilization	40.7%	35.2%	41.1%	37.0%	28.2%
Average Profit (Loss) before Tax	$ (88)	$(152)	$ 85	$157	$2,104
Ratio: Revenue/GFA	36.5%	37.1%	42.8%	38.3%	41.0%
Base	20	29	20	30	34

TABLE 76

ECONOMIC RATIOS, BY SIZE
(000)
VTF/HOUR

TEXT NOTE[n]	FACTOR OR RATIO	KEY	UNDER 2,500	2,500 TO 3,999	4,000 TO 5,499	5,500 TO 9,999	10,000 AND OVER
		KEY FACTORS					
	VTF/Hour (000)[a]	A	1,654	3,204	4,759	7,521	20,195
	VTF/Hour—Demand/Skier Capacity	B	1,500	1,500	1,500	1,500	1,500
	Skier Capacity[b]	C	1,103	2,136	3,173	5,014	13,463
	Days/Nights of Operation[a]	D	97	128	106	109	135
	Season Capacity (000)	E	111	276	335	554	1,857
	Day Season Capacity (000)		85	213	296	478	1,815
	Night Season Capacity (000)		44	115	73	229	289
	Actual Skier Visits (000)[a]	F	45	97	138	205	524
	Day Skier Visits (000)[c]		34	80	124	185	514
	Night Skier Visits (000)[c]		18	32	26	63	53
	Profit (Loss) before Tax (000)[d]	G	$ (88)	$ (152)	$ 85	$ 157	$ 2,104
	Plus: Depreciation (000)[d]	H	$ 104	$ 287	$ 460	$ 756	$ 2,410
	Before-Tax Cash Flow (000)[e]	I	$ 15	$ 135	$ 546	$ 913	$ 4,514
	Operating Profit (Loss) (000)[d]	J	$ 12	$ 37	$ 466	$ 694	$ 3,500
	Cash Operating Costs (000)[f]	K	$ 702	$1,907	$2,384	$ 3,701	$ 9,393
	Gross Fixed Assets (000)[d]	L	$2,242	$6,020	$7,742	$13,444	$37,298
	Long-Term Debt (000)[g]	M	$ 867	$1,900	$3,512	$ 4,840	$14,093
	Equity (000)[h]	N	$ 98	$1,791	$1,637	$ 4,009	$13,800

Continued ...

TABLE 76 (CONTINUED)

ECONOMIC RATIOS, BY SIZE
(000)
VTF/HOUR

TEXT NOTE[n]	FACTOR OR RATIO	UNDER 2,500	2,500 TO 3,999	4,000 TO 5,499	5,500 TO 9,999	10,000 AND OVER
	CRITICAL RATIOS					
1,A	*Health (Debt to Cash Flow)*[j]	57.0X	14.0X	6.4X	5.3X	3.1X
B	*Profitability*					
2	Operating Profit on GFA[i]	0.5%	0.6%	6.0%	5.2%	9.4%
3	Profit (BT) on Equity[k]	– 89.8%	– 8.5%	5.2%	3.9%	15.2%
C	*Performance*					
4	Average Utilization[a]	40.7%	35.2%	41.1%	37.0%	28.2%
	Day Utilization	40.1%	37.6%	41.9%	38.7%	28.3%
	Night Utilization	41.7%	28.2%	35.2%	27.3%	18.3%
5	Days/Nights of Operation[a]	97	128	106	109	135
D	*Policy and Planning*					
6	Capital Cost/Capacity[l]	$2,033	$2,819	$2,440	$2,681	$2,770
7	Operating Cost/Capacity[m]	$ 6.31	$ 6.91	$ 7.11	$ 6.68	$ 5.06
E	*Revenue/Skier Visit (Average for All Areas)*					
	Ski Lift Gross	$ 12.06	$ 15.56	$ 16.46	$ 19.77	$ 22.20
	Ski School Margin	$ 0.61	$ 1.12	$ 0.58	$ 0.55	$ 1.07
	Food Service Margin	$ 0.55	$ 0.85	$ 0.78	$ 0.93	$ 1.11
	Bar Margin	$ 0.28	$ 0.45	$ 0.54	$ 0.45	$ 0.36
	Ski Shop Margin	$ 0.38	$ 0.46	$ 0.54	$ 0.31	$ 0.55
	Ski Rental Margin	$ 1.35	$ 1.54	$ 1.29	$ 0.80	$ 0.60
	Other Margin	$ 0.21	$ 0.35	$ 0.34	$ 0.19	$ 0.22
8	*TOTAL REVENUE/SKIER VISIT*	*$ 15.45*	*$ 20.35*	*$ 20.53*	*$ 22.99*	*$ 26.10*
	Base	**20**	**29**	**20**	**30**	**34**

[a] See Table 75.

[b] C = A / B.

[c] Data collected from USIA Annual Economic Survey, 1989–90 Season; not presented elsewhere in this publication.

[d] See Table 77.

[e] I = G + H.

[f] Using figures from Table 77, K = Total Revenue — Profit (Loss) before Tax — Depreciation and Amortization — Interest.

[g] Using figures from Table 81, M = Long-term Debt + Subordinated Debt.

[h] Using figures from Table 81, N = Invested Net Worth + Retained Earnings — Treasury Stock.

[i] Ratio = M / I.

[j] Ratio = J / L.

[k] Ratio = G / N.

[l] Ratio = L / C.

[m] Ratio = K / E.

[n] See Pages 31–37 for related Text Notes.

TABLE 77

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY SIZE
(000)

VTF/HOUR

	Under 2,500	2,500 to 3,999	4,000 to 5,499	5,500 to 9,999	10,000 and over
Gross Fixed Assets	*$2,242*	*$6,020*	*$7,742*	*$13,444*	*$37,298*
Revenue					
Ski Lift Gross—Winter	$ 546	$1,512	$2,267	$ 4,057	$11,621
Ski Lift Gross—Summer	1	9	118	22	136
Supporting Margin—Winter	183	602	716	723	2,251
Supporting Margin—Summer	65	78	86	203	(5)
Year-Round Margin	23	29	125	145	1,301
Total Revenue	*$ 817*	*$2,231*	*$3,311*	*$ 5,151*	*$15,303*
Expenses and Allocations					
Ski Lift Direct Expense	$ 239	$ 470	$ 702	$ 1,078	$ 3,042
Payroll Taxes	20	57	71	133	302
Property Operation	26	109	83	488	316
Subtotal, Expenses and Allocations	*$ 285*	*$ 636*	*$ 856*	*$ 1,699*	*$ 3,660*
Operations Margin	*$ 531*	*$1,595*	*$2,454*	*$ 3,452*	*$11,644*
Common Expenses					
General and Administrative	$ 142	$ 472	$ 623	$ 706	$ 2,142
Marketing (advertising, public relations, promotion, etc.)	81	212	250	366	1,159
Insurance (property, liability)	81	184	244	302	698
Land Use Fees (public)	3	28	26	57	320
Land Use Fees (private)	2	31	39	25	64
Property Taxes	16	44	47	97	291
Other Taxes (except income)	10	11	7	33	63
Snowmaking	65	179	229	298	461
Snow Removal	2	6	6	18	41
Miscellaneous	14	103	56	99	496
Depreciation and Amortization	104	287	460	756	2,410
Subtotal, Common Expenses	*$ 520*	*$1,557*	*$1,987*	*$ 2,757*	*$ 8,145*
Operating Profit (Loss)	*$ 12*	*$ 37*	*$ 466*	*$ 694*	*$ 3,500*
Interest Expense	*$ 100*	*$ 189*	*$ 381*	*$ 537*	*$ 1,396*
Profit (Loss) Before Tax	*$ (88)*	*$ (152)*	*$ 85*	*$ 157*	*$ 2,104*
Base	20	29	20	30	34

TABLE 78

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY SIZE
(000)

VTF/HOUR

PERCENT OF GROSS FIXED ASSETS

	UNDER 2,500	2,500 TO 3,999	4,000 TO 5,499	5,500 TO 9,999	10,000 AND OVER
GROSS FIXED ASSETS	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Revenue					
Ski Lift Gross—Winter	24.3%	25.1%	29.3%	30.2%	31.2%
Ski Lift Gross—Summer	0.1	0.2	1.5	0.2	0.4
Supporting Margin—Winter	8.2	10.0	9.2	5.4	6.0
Supporting Margin—Summer	2.9	1.3	1.1	1.5	0.0
Year-Round Margin	1.0	0.5	1.6	1.1	3.5
TOTAL REVENUE	*36.5%*	*37.1%*	*42.8%*	*38.3%*	*41.0%*
Expenses and Allocations					
Ski Lift Direct Expense	10.7%	7.8%	9.1%	8.0%	8.2%
Payroll Taxes	0.9	0.9	0.9	1.0	0.8
Property Operation	1.2	1.8	1.1	3.6	0.8
SUBTOTAL, EXPENSES AND ALLOCATIONS	*12.8%*	*10.5%*	*11.1%*	*12.6%*	*9.8%*
OPERATIONS MARGIN	*23.7%*	*26.5%*	*31.7%*	*25.7%*	*31.2%*
Common Expenses					
General and Administrative	6.3%	7.8%	8.1%	5.3%	5.7%
Marketing (advertising, public relations, promotion, etc.)	3.6	3.5	3.2	2.7	3.1
Insurance (property, liability)	3.6	3.1	3.1	2.2	1.9
Land Use Fees (public)	0.1	0.5	0.3	0.4	0.9
Land Use Fees (private)	0.1	0.5	0.5	0.2	0.2
Property Taxes	0.7	0.7	0.6	0.7	0.8
Other Taxes (except income)	0.4	0.2	0.1	0.2	0.2
Snowmaking	2.9	3.0	3.0	2.2	1.2
Snow Removal	0.1	0.1	0.1	0.1	0.1
Miscellaneous	0.6	1.7	0.7	0.7	1.3
Depreciation and Amortization	4.6	4.8	5.9	5.6	6.5
SUBTOTAL, COMMON EXPENSES	*23.0%*	*25.9%*	*25.6%*	*20.3%*	*21.9%*
OPERATING PROFIT (LOSS)	*0.5%*	*0.6%*	*6.0%*	*5.2%*	*9.4%*
INTEREST EXPENSE	*4.5%*	*3.1%*	*4.9%*	*4.0%*	*3.7%*
PROFIT (LOSS)BEFORE TAX	*–3.9%*	*–2.5%*	*1.1%*	*1.2%*	*5.6%*
Base	20	29	20	30	34

TABLE 79

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY SIZE
(000)

VTF/HOUR

PERCENT OF REVENUE

	UNDER 2,500	2,500 TO 3,999	4,000 TO 5,499	5,500 TO 9,999	10,000 AND OVER
Revenue					
Ski Lift Gross—Winter	66.8%	67.8%	68.5%	78.8%	75.9%
Ski Lift Gross—Summer	0.2	0.4	3.6	0.4	0.9
Supporting Margin—Winter	22.4	27.0	21.6	14.0	14.7
Supporting Margin—Summer	7.9	3.5	2.6	3.9	0.0
Year-Round Margin	2.8	1.3	3.8	2.8	8.5
TOTAL REVENUE	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Expenses and Allocations					
Ski Lift Direct Expense	29.3%	21.1%	21.2%	20.9%	19.9%
Payroll Taxes	2.5	2.6	2.1	2.6	2.0
Property Operation	3.2	4.9	2.5	9.5	2.1
SUBTOTAL, EXPENSES AND ALLOCATIONS	*35.0%*	*28.6%*	*25.8%*	*33.0%*	*24.0%*
OPERATIONS MARGIN	*65.0%*	*71.5%*	*74.1%*	*67.0%*	*76.1%*
Common Expenses					
General and Administrative	17.4%	21.1%	18.8%	13.7%	14.0%
Marketing (advertising, public relations, promotion, etc.)	9.9	9.5	7.6	7.1	7.6
Insurance (property, liability)	9.9	8.3	7.4	5.9	4.6
Land Use Fees (public)	0.4	1.3	0.8	1.1	2.1
Land Use Fees (private)	0.2	1.4	1.2	0.5	0.4
Property Taxes	1.9	2.0	1.4	1.9	1.9
Other Taxes (except income)	1.2	0.5	0.2	0.6	0.4
Snowmaking	8.0	8.0	6.9	5.8	3.0
Snow Removal	0.3	0.3	0.2	0.3	0.3
Miscellaneous	1.7	4.6	1.7	1.9	3.2
Depreciation and Amortization	12.7	12.9	13.9	14.7	15.7
SUBTOTAL, COMMON EXPENSES	*63.6%*	*69.9%*	*60.1%*	*53.5%*	*53.2%*
OPERATING PROFIT (LOSS)	*1.4%*	*1.7%*	*14.1%*	*13.5%*	*22.9%*
INTEREST EXPENSE	*12.2%*	*8.5%*	*11.5%*	*10.4%*	*9.1%*
PROFIT (LOSS) BEFORE TAX	*– 10.8%*	*– 6.8%*	*2.6%*	*3.1%*	*13.7%*
Base	20	29	20	30	34

TABLE 80

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN, BY SIZE
(000)

VTF/HOUR

	UNDER 2,500	2,500 TO 3,999	4,000 TO 5,499	5,500 TO 9,999	10,000 AND OVER
SKI LIFT GROSS REVENUE (WINTER)	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Direct Labor Expense					
Ski Lift Payroll	7.8%	9.1%	5.7%	5.0%	4.8%
Ski Patrol Payroll	2.4	2.4	2.5	2.4	2.3
Slope Maintenance Payroll	1.8	1.9	2.2	1.9	2.2
Maintenance and Repair Payroll	6.4	3.8	3.6	3.2	2.9
Ticket Sales Payroll	2.6	1.6	1.7	1.2	1.4
Other Payroll	2.0	1.3	1.1	1.1	1.4
TOTAL PAYROLL EXPENSE	*23.1%*	*19.9%*	*16.9%*	*14.9%*	*14.9%*
PAYROLL TAXES	*4.0%*	*4.4%*	*2.6%*	*3.2%*	*2.7%*
OTHER DIRECT EXPENSE	*15.2%*	*14.2%*	*8.6%*	*10.1%*	*10.3%*
TOTAL DIRECT EXPENSE	***42.2%***	***38.6%***	***28.1%***	***28.1%***	***27.9%***
GROSS MARGIN	*57.8%*	*61.4%*	*71.9%*	*71.9%*	*72.1%*
Base	11	19	15	23	27

TABLE 81

AVERAGE SKI AREA FINANCIAL DATA—BALANCE SHEET, BY SIZE
(000)
VTF/HOUR

	UNDER 2,500	2,500 TO 3,999	4,000 TO 5,499	5,500 TO 9,999	10,000 AND OVER
Assets					
Current Assets	$ 219	$ 581	$ 828	$ 1,546	$ 4,009
Gross Fixed Assets	2,057	6,316	7,742	13,459	37,298
Minus: Depreciation	(1,116)	(2,814)	(3,276)	(5,133)	(13,753)
Other Assets	78	354	1,036	1,395	4,420
TOTAL ASSETS	***$1,238***	***$4,437***	***$6,329***	***$11,267***	***$31,974***
Liabilities					
Current Liabilities	$ 266	$ 467	$ 967	$ 1,212	$ 3,378
Long-Term Debt	662	1,146	3,280	3,429	10,485
Subordinated Debt	205	754	232	1,411	3,608
Deferred Taxes	7	16	73	384	452
Other Liabilities	0	264	141	822	252
SUBTOTAL, LIABILITIES	***$1,140***	***$2,647***	***$4,693***	***$ 7,258***	***$18,175***
Net Worth					
Invested	$ 295	$1,931	$1,183	$ 2,083	$ 9,235
Retained Earnings	(182)	(140)	615	1,964	4,575
Minus: Treasury Stock	(15)	(1)	(161)	(38)	(10)
SUBTOTAL, NET WORTH	***$ 98***	***$1,790***	***$1,637***	***$ 4,009***	***$13,800***
TOTAL LIABILITIES AND NET WORTH	***$1,238***	***$4,437***	***$6,329***	***$11,267***	***$31,974***
Base	18	26	20	29	34

TABLE 82

AVERAGE SKI AREA CHARACTERISTICS, BY TYPE OF SKI AREA

	DAY	WEEKEND	VACATION
Size			
VTF/Hour (000)	5,011	7,529	15,674
Gross Fixed Assets (000)	$7,830	$11,812	$32,077
Skiable Acres	470	489	1,178
Total Acres	1,018	1,301	4,396
Location			
Within 50 Miles of SMSA	47%	24%	19%
With 6 or More Areas within 1 Hour	22%	39%	42%
New England	11%	27%	28%
East	14%	24%	3%
Midwest	17%	9%	0%
Central Rockies	6%	12%	36%
Northern Rockies	11%	9%	11%
California and Nevada	17%	9%	3%
Pacific Northwest	13%	3%	3%
Western Canada	11%	6%	17%
Site Characteristics			
Number of Beds at Base	170	795	3,113
Number of Beds within 10 miles	1,571	5,032	8,245
With Snowmaking	64%	82%	86%
With Night Skiing	55%	48%	14%
Terrain			
Beginner	25%	24%	25%
Intermediate	47%	48%	47%
Expert	28%	28%	28%
Business Characteristics			
Operating with USFS Permit	42%	39%	47%
Engaged in Land Development	22%	48%	56%
Operational Characteristics			
Average Days/Nights of Operation	111	119	127
Average Peak Day Crowd	3,693	4,806	7,952
Average Skier Visits (000)	130,998	182,616	445,093
Average Age of Ski Areas	31 years	31 years	29 years

Continued ...

TABLE 82 (CONTINUED)

AVERAGE SKI AREA CHARACTERISTICS, BY TYPE OF SKI AREA

	DAY	WEEKEND	VACATION
Economic Characteristics			
Average Revenue/Skier Visit	$ 20.11	$ 26.25	$ 25.42
Average Lift Ticket Revenue/Skier Visit	$ 16.36	$ 21.68	$ 21.79
Average Adult Lift Ticket Price			
Weekend	$ 24.07	$ 28.24	$ 31.81
Weekday	$ 20.92	$ 23.76	$ 31.03
Average Night Ticket Price			
Weekend	$ 15.36	$ 16.75	$ 14.40
Weekday	$ 14.32	$ 16.06	$ 14.40
Average Adult Season Ticket Price	$387	$439	$ 596
Average Utilization	34.0%	25.8%	32.9%
Average Profit (Loss) before Tax	$ (12)	$230	$1,805
Ratio: Revenue/GFA	36.1%	44.6%	40.5%
Base	**64**	**33**	**36**

TABLE 83

ECONOMIC RATIOS, BY TYPE OF SKI AREA

TEXT NOTE[n]	FACTOR OR RATIO	KEY	DAY	WEEKEND	VACATION	YOUR SKI AREA
	KEY FACTORS					
	VTF/Hour (000)[a]	A	5,011	7,529	15,674	_____
	VTF/Hour—Demand/Skier Capacity	B	1,500	1,500	1,500	_____
	Skier Capacity[b]	C	3,340	5,019	10,450	_____
	Days/Nights of Operation[a]	D	111	119	127	_____
	Season Capacity (000)	E	386	707	1,353	_____
	Day Season Capacity (000)		323	638	1,337	_____
	Night Season Capacity (000)		123	142	116	_____
	Actual Skier Visits (000)[a]	F	131	183	445	_____
	Day Skier Visits (000)[c]		114	165	460	_____
	Night Skier Visits (000)[c]		36	37	28	_____
	Profit (Loss) before Tax (000)[d]	G	$ (12)	$ 230	$ 1,805	$_____
	Plus: Depreciation (000)[d]	H	$ 443	$ 742	$ 1,983	$_____
	Before-Tax Cash Flow (000)[e]	I	$ 431	$ 971	$ 3,788	$_____
	Operating Profit (Loss) (000)[d]	J	$ 252	$ 716	$ 3,075	$_____
	Cash Operating Costs (000)[f]	K	$2,132	$ 3,809	$ 7,923	$_____
	Gross Fixed Assets (000)[d]	L	$7,830	$11,812	$32,077	$_____
	Long-Term Debt (000)[g]	M	$2,372	$ 4,364	$13,451	$_____
	Equity (000)[h]	N	$2,382	$ 2,590	$12,584	$_____

Continued ...

TABLE 83 (CONTINUED)

ECONOMIC RATIOS, BY TYPE OF SKI AREA

Text Note[n]	Factor or Ratio	Day	Weekend	Vacation	Your Ski Area
	CRITICAL RATIOS				
1,A	*Health (Debt to Cash Flow)*[i]	5.5X	4.5X	3.6X	_____X
B	*Profitability*				
2	Operating Profit on GFA[j]	3.2%	6.1%	9.6%	_____%
3	Profit (BT) on Equity[k]	– 0.5%	8.9%	14.3%	_____%
C	*Performance*				
4	Average Utilization[a]	34.0%	25.8%	32.9%	_____%
	Day Utilization	35.5%	25.8%	34.4%	_____%
	Night Utilization	29.2%	26.3%	24.2%	_____%
5	Days/Nights of Operation[a]	111	119	127	_____
D	*Policy and Planning*				
6	Capital Cost/Capacity[l]	$2,344	$2,353	$3,070	$_____
7	Operating Cost/Capacity[m]	$ 5.53	$ 5.39	$ 5.86	$_____
E	*Revenue/Skier Visit (Average for All Areas)*				
	Ski Lift Gross	$ 16.36	$ 21.68	$ 21.79	$_____
	Ski School Margin	$ 0.74	$ 0.56	$ 1.13	$_____
	Food Service Margin	$ 0.79	$ 1.29	$ 1.00	$_____
	Bar Margin	$ 0.43	$ 0.51	$ 0.34	$_____
	Ski Shop Margin	$ 0.37	$ 0.61	$ 0.50	$_____
	Ski Rental Margin	$ 1.13	$ 0.94	$ 0.60	$_____
	Other Margin	$ 0.29	$ 0.65	$ 0.05	$_____
8	*Total Revenue/Skier Visit*	*$ 20.11*	*$ 26.25*	*$ 25.42*	*$_____*
	Base	64	33	36	

[a] See Table 82.

[b] C = A / B.

[c] See Table 18.

[d] See Table 84.

[e] I = G + H.

[f] Using figures from Table 84, K = Total Revenue — Profit (Loss) before Tax — Depreciation and Amortization — Interest.

[g] Using figures from Table 88, M = Long-term Debt + Subordinated Debt.

[h] Using figures from Table 88, N = Invested Net Worth + Retained Earnings — Treasury Stock.

[i] Ratio = M / I.

[j] Ratio = J / L.

[k] Ratio = G / N.

[l] Ratio = L / C.

[m] Ratio = K / E.

[n] See Pages 31–37 for related Text Notes.

TABLE 84

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY TYPE OF SKI AREA

	Day (000)	Weekend (000)	Vacation (000)	Your Ski Area
Gross Fixed Assets	*$7,830*	*$11,812*	*$32,077*	$_____
Revenue				
Ski Lift Gross—Winter	$2,143	$ 3,959	$ 9,698	$_____
Ski Lift Gross—Summer	30	27	142	_____
Supporting Margin—Winter	506	966	1,928	_____
Supporting Margin—Summer	77	182	8	_____
Year-Round Margin	73	132	1,204	_____
Total Revenue	*$2,828*	*$ 5,266*	*$12,981*	$_____
Expenses and Allocations				
Ski Lift Direct Expense	$703	$ 916	$ 2,584	$_____
Payroll Taxes	78	105	258	_____
Property Operation	116	350	327	_____
Subtotal, Expenses and Allocations	*$ 897*	*$ 1,371*	*$ 3,169*	$_____
Operations Margin	*$1,931*	*$ 3,896*	*$ 9,812*	$_____
Common Expenses				
General and Administrative	$ 499	$ 1,107	$ 1,515	$_____
Marketing (advertising, public relations, promotion, etc.)	196	359	1,077	_____
Insurance (property, liability)	223	335	536	_____
Land Use Fees (public)	34	64	269	_____
Land Use Fees (private)	22	42	51	_____
Property Taxes	55	95	242	_____
Other Taxes (except income)	23	27	40	_____
Snowmaking	129	308	479	_____
Snow Removal	12	21	22	_____
Miscellaneous	42	81	523	_____
Depreciation and Amortization	443	742	1,983	_____
Subtotal, Common Expenses	*$1,678*	*$ 3,181*	*$ 6,737*	$_____
Operating Profit (Loss)	*$ 252*	*$ 716*	*$ 3,075*	$_____
Interest Expense	*$ 264*	*$ 486*	*$ 1,270*	$_____
Profit (Loss) Before Tax	*$ (12)*	*$ 230*	*$ 1,805*	$_____
Base	64	33	36	

TABLE 85

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY TYPE OF SKI AREA

PERCENT OF GROSS FIXED ASSETS

	DAY	WEEKEND	VACATION	YOUR SKI AREA
GROSS FIXED ASSETS	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Revenue				
Ski Lift Gross—Winter	27.4%	33.5%	30.2%	_____%
Ski Lift Gross—Summer	0.4	0.2	0.4	_____
Supporting Margin—Winter	6.5	8.2	6.0	_____
Supporting Margin—Summer	1.0	1.5	0.0	_____
Year-Round Margin	0.9	1.1	3.8	_____
TOTAL REVENUE	*36.1%*	*44.6%*	*40.5%*	_____%
Expenses and Allocations				
Ski Lift Direct Expense	9.0%	7.8%	8.1%	_____%
Payroll Taxes	1.0	0.9	0.8	_____
Property Operation	1.5	3.0	1.0	_____
SUBTOTAL, EXPENSES AND ALLOCATIONS	*11.5%*	*11.7%*	*9.9%*	_____%
OPERATIONS MARGIN	*24.7%*	*33.0%*	*30.6%*	_____%
Common Expenses				
General and Administrative	6.4%	9.4%	4.7%	_____%
Marketing (advertising, public relations, promotion, etc.)	2.5	3.0	3.4	_____
Insurance (property, liability)	2.8	2.8	1.7	_____
Land Use Fees (public)	0.4	0.5	0.8	_____
Land Use Fees (private)	0.3	0.4	0.2	_____
Property Taxes	0.7	0.8	0.8	_____
Other Taxes (except income)	0.3	0.2	0.1	_____
Snowmaking	1.7	2.6	1.5	_____
Snow Removal	0.2	0.2	0.1	_____
Miscellaneous	0.5	0.7	1.6	_____
Depreciation and Amortization	5.7	6.3	6.2	_____
SUBTOTAL, COMMON EXPENSES	*21.5%*	*26.9%*	*21.1%*	_____%
OPERATING PROFIT (LOSS)	*3.2%*	*6.1%*	*9.6%*	_____%
INTEREST EXPENSE	*3.4%*	*4.1%*	*4.0%*	_____%
PROFIT (LOSS)BEFORE TAX	*– 0.2%*	*1.9%*	*5.6%*	_____%
Base	64	33	36	

TABLE 86

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY TYPE OF SKI AREA

PERCENT OF REVENUE

	Day	Weekend	Vacation	Your Ski Area
Revenue				
Ski Lift Gross—Winter	75.8%	75.2%	74.7%	_____%
Ski Lift Gross—Summer	1.1	0.5	1.1	_____
Supporting Margin—Winter	17.9	18.3	14.9	_____
Supporting Margin—Summer	2.7	3.5	0.1	_____
Year-Round Margin	2.6	2.5	9.3	_____
Total Revenue	***100.0%***	***100.0%***	***100.0%***	_____%
Expenses and Allocations				
Ski Lift Direct Expense	24.8%	17.4%	19.9%	_____%
Payroll Taxes	2.8	2.0	2.0	_____
Property Operation	4.1	6.6	2.5	_____
Subtotal, Expenses and Allocations	*31.7%*	*26.0%*	*24.4%*	_____%
Operations Margin	***68.3%***	***74.0%***	***75.6%***	_____%
Common Expenses				
General and Administrative	17.6%	21.0%	11.7%	_____%
Marketing (advertising, public relations, promotion, etc.)	6.9	6.8	8.3	_____
Insurance (property, liability)	7.9	6.4	4.1	_____
Land Use Fees (public)	1.2	1.2	2.1	_____
Land Use Fees (private)	0.8	0.8	0.4	_____
Property Taxes	1.9	1.8	1.9	_____
Other Taxes (except income)	0.8	0.5	0.3	_____
Snowmaking	4.6	5.9	3.7	_____
Snow Removal	0.4	0.4	0.2	_____
Miscellaneous	1.5	1.5	4.0	_____
Depreciation and Amortization	15.7	14.1	15.3	_____
Subtotal, Common Expenses	*59.3%*	*60.4%*	*52.0%*	_____%
Operating Profit (Loss)	***8.9%***	***13.6%***	***23.7%***	_____%
Interest Expense	*9.4%*	*9.2%*	*9.8%*	_____%
Profit (Loss) Before Tax	***– 0.4%***	***4.4%***	***13.9%***	_____%
Base	64	33	36	

TABLE 87

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN, BY TYPE OF SKI AREA

	Day	Weekend	Vacation
Ski Lift Gross Revenue (Winter)	*100.0%*	*100.0%*	*100.0%*
Direct Labor Expense			
Ski Lift Payroll	7.3%	4.1%	4.7%
Ski Patrol Payroll	2.7	1.8	2.4
Slope Maintenance Payroll	2.4	1.5	2.2
Maintenance and Repair Payroll	4.2	3.0	2.7
Ticket Sales Payroll	1.6	1.3	1.3
Other Payroll	1.8	0.8	1.3
Total Payroll Expense	*19.9%*	*12.6%*	*14.5%*
Payroll Taxes	*3.6%*	*2.7%*	*2.7%*
Other Direct Expense	*11.5%*	*10.0%*	*10.2%*
Total Direct Expense	***35.0%***	***25.2%***	***27.4%***
Gross Margin	***65.0%***	***74.8%***	***72.6%***
Base	41	20	31

TABLE 88

AVERAGE SKI AREA FINANCIAL DATA—BALANCE SHEET, BY TYPE OF SKI AREA

	Day	Weekend	Vacation
Assets			
Current Assets	$ 717	$ 1,137	$ 3,912
Gross Fixed Assets	8,075	11,812	32,809
Minus: Depreciation	(3,426)	(5,395)	(11,287)
Other Assets	590	1,237	4,183
Total Assets	***$5,955***	***$ 8,791***	***$29,618***
Liabilities			
Current Liabilities	$ 736	$ 1,174	$ 2,975
Long-Term Debt	1,689	3,722	9,736
Subordinated Debt	684	641	3,715
Deferred Taxes	161	101	448
Other Liabilities	304	564	159
Subtotal, Liabilities	***$ 3, 574***	***$ 6,202***	***$ 17,033***
Net Worth			
Invested	1,198	$ 1,734	$ 9,305
Retained Earnings	1,193	972	3,297
Minus: Treasury Stock	(9)	(116)	(18)
Subtotal, Net Worth	***$ 2,382***	***$ 2,590***	***$ 12,584***
Total Liabilities and Net Worth	***$5,955***	***$ 8,791***	***$29,618***
Base	59	33	35

TABLE 89

AVERAGE SKI AREA CHARACTERISTICS, BY LENGTH OF SEASON

	Less than 80 Days	80 to 99 Days	100 to 119 Days	120 to 139 Days	140 to 159 Days	160 Days and Over
Size						
VTF/Hour (000)	2,308	4,858	5,075	8,163	11,695	21,454
Gross Fixed Assets (000)	$3,137	$6,738	$9,341	$14,231	$20,825	$43,347
Skiable Acres	209	605	328	746	784	1,473
Total Acres	425	1,636	928	1,890	2,785	4,896
Location						
Within 50 Miles of SMSA	20%	36%	50%	24%	22%	38%
With 6 or More Areas within 1 Hour	30%	40%	24%	36%	35%	25%
New England	10%	8%	21%	16%	35%	25%
East	20%	20%	26%	8%	0%	0%
Midwest	20%	12%	24%	4%	0%	0%
Central Rockies	0%	8%	15%	32%	13%	19%
Northern Rockies	10%	16%	6%	12%	17%	0%
California and Nevada	20%	4%	0%	24%	9%	25%
Pacific Northwest	20%	20%	3%	0%	0%	13%
Western Canada	0%	12%	6%	4%	26%	19%
Site Characteristics						
Number of Beds at Base	70	539	403	808	1,873	3,944
Number of Beds within10 Miles	3,210	1,898	2,377	5,610	4,265	11,896
With Snowmaking	100%	76%	79%	68%	70%	63%
With a Night Operation	70%	32%	50%	36%	35%	44%
Terrain						
Beginner	23%	22%	27%	24%	25%	26%
Intermediate	48%	50%	46%	46%	49%	45%
Expert	29%	28%	27%	31%	26%	29%
Business Characteristics						
Operating with USFS Permit	20%	44%	32%	44%	48%	69%
Engaged in Land Development	50%	44%	26%	48%	43%	19%
Operational Characteristics						
Average Days/Nights of Operation	73	90	115	120	140	154
Average Peak Day Crowd	1,804	3,698	4,137	4,648	6,303	10,556
Average Skier Visits (000)	39,879	104,915	149,524	209,866	326,272	598,574
Average Age of Ski Areas	31 years	31 years	29 years	29 years	31 years	32 years

Continued ...

TABLE 89 (CONTINUED)

AVERAGE SKI AREA CHARACTERISTICS, BY LENGTH OF SEASON

	Less than 80 Days	80 to 99 Days	100 to 119 Days	120 to 139 Days	140 to 159 Days	160 Days and Over
Economic Characteristics						
Average						
Revenue/Skier Visit	$ 18.62	$ 18.97	$ 21.33	$ 24.49	$ 23.24	$ 27.73
Average Ticket						
Revenue/Skier Visit	$ 15.70	$ 15.52	$ 17.19	$ 20.68	$ 20.02	$ 23.37
Average Adult						
Lift Ticket Price						
Weekend	$ 22.00	$ 23.53	$ 26.68	$ 28.46	$ 29.13	$ 32.13
Weekday	$ 17.55	$ 19.86	$ 22.50	$ 26.06	$ 27.86	$ 31.81
Average Night Ticket Price						
Weekend	$ 13.50	$ 17.40	$ 15.75	$ 15.56	$ 15.80	$ 11.50
Weekday	$ 13.21	$ 14.94	$ 15.28	$ 15.11	$ 15.80	$ 11.50
Average Adult						
Season Ticket Price	$ 361	$ 363	$375	$509	$580	$ 579
Average Utilization	34.5%	33.1%	40.9%	32.3%	31.5%	27.3%
Average						
Profit (Loss) before Tax	$(260)	$(321)	$ (84)	$527	$718	$3,474
Ratio: Revenue/GFA	24.4%	31.7%	37.6%	40.6%	41.2%	43.3%
Base	10	25	34	25	23	16

TABLE 90

ECONOMIC RATIOS, BY LENGTH OF SEASON

Text Note[n]	Factor or Ratio	Key	Less than 80 Days	80 to 99 Days	100 to 119 Days	120 to 139 Days	140 to 159 Days	160 Days and Over
	KEY FACTORS							
	VTF/Hour (000)[a]	A	2,308	4,858	5,075	8,163	11,695	21,454
	VTF/Hour—Demand/Skier Capacity	B	1,500	1,500	1,500	1,500	1,500	1,500
	Skier Capacity[b]	C	1,539	3,239	3,383	5,442	7,797	14,303
	Days/Nights of Operation[a]	D	73	90	115	120	140	154
	Season Capacity (000)	E	116	317	365	649	1,036	2,197
	Day Season Capacity (000)		86	259	300	590	980	2,185
	Night Season Capacity (000)		42	120	117	163	260	89
	Actual Skier Visits (000)[a]	F	40	105	150	210	326	599
	Day Skier Visits (000)[c]		36	91	125	205	321	597
	Night Skier Visits (000)[c]		9	27	42	53	56	12
	Profit (Loss) before Tax (000)[d]	G	$ (260)	$ (321)	$ (84)	$ 527	$ 718	$ 3,474
	Plus: Depreciation (000)[d]	H	$ 167	$ 367	$ 494	$ 826	$ 1,333	$ 2,830
	Before-Tax Cash Flow (000)[e]	I	$ (93)	$ 46	$ 410	$ 1,353	$ 2,051	$ 6,304
	Operating Profit (Loss) (000)[d]	J	$ (105)	$ (99)	$ 298	$ 1,011	$ 1,718	$ 4,941
	Cash Operating Costs (000)[f]	K	$ 704	$1,865	$2,716	$ 3,944	$ 5,525	$10,982
	Gross Fixed Assets (000)[d]	L	$3,137	$6,738	$9,341	$14,231	$20,825	$43,347
	Long-Term Debt (000)[g]	M	$1,660	$2,332	$3,465	$ 4,770	$ 9,301	$15,440
	Equity (000)[h]	N	$ 71	$1,792	$2,512	$ 4,335	$8 ,093	$15,946
	CRITICAL RATIOS							
1,A	*Health (Debt to Cash Flow)*[i]		Loss	50.4X	8.5X	3.5X	4.5X	2.4X
B	*Profitability*							
2	Operating Profit on GFA[j]		– 3.4%	– 1.5%	3.2%	7.1%	8.2%	11.4%
3	Profit (BT) on Equity[k]		– 366.2%	– 17.9%	– 3.2%	12.1%	8.9%	21.8%

Continued ...

TABLE 90 (CONTINUED)

ECONOMIC RATIOS, BY LENGTH OF SEASON

Text Note[n]	Factor or Ratio	Key	Less than 80 Days	80 to 99 Days	100 to 119 Days	120 to 139 Days	140 to 159 Days	160 Days and Over
	CRITICAL RATIOS (CONTINUED)							
C	*Performance*							
4	Average Utilization[a]		34.5%	33.1%	40.9%	32.3%	31.5%	27.3%
	Day Utilization		42.0%	35.0%	41.6%	34.8%	32.7%	27.3%
	Night Utilization		22.4%	22.6%	35.7%	32.3%	21.7%	14.1%
5	Days/Nights of Operation[a]		73	90	115	120	140	154
D	*Policy and Planning*							
6	Capital Cost/Capacity[l]		$2,039	$2,080	$2,761	$2,615	$2,671	$3,031
7	Operating Cost/Capacity[m]		$ 6.09	$ 5.89	$ 7.43	$ 6.08	$ 5.33	$ 5.00
E	*Revenue/Skier Visit (Average for all areas)*							
	Ski Lift Gross		$ 15.70	$ 15.52	$ 17.19	$ 20.68	$ 20.02	$ 23.37
	Ski School Margin		$ 0.34	$ 0.42	$ 0.76	$ 0.92	$ 0.85	$ 1.19
	Food Service Margin		$ 0.49	$ 0.58	$ 0.90	$ 0.96	$ 1.02	$ 1.20
	Bar Margin		$ 0.26	$ 0.45	$ 0.49	$ 0.41	$ 0.30	$ 0.42
	Ski Shop Margin		$ 0.27	$ 0.29	$ 0.40	$ 0.45	$ 0.46	$ 0.63
	Ski Rental Margin		$ 1.01	$ 1.08	$ 1.38	$ 0.87	$ 0.39	$ 0.73
	Other Margin		$ 0.54	$ 0.64	$ 0.21	$ 0.19	$ 0.20	$ 0.18
8	*Total Revenue/Skier Visit*		*$ 18.62*	*$ 18.97*	*$ 21.33*	*$ 24.49*	*$ 23.24*	*$ 27.73*
	Base		10	25	34	25	23	16

[a] See Table 89.

[b] C = A / B.

[c] Data collected from the USIA Annual Economic Survey, 1989–90 Season; not presented elsewhere in this publication.

[d] See Table 91.

[e] I = G + H.

[f] Using figures from Table 91, K = Total Revenue — Profit (Loss) before Tax — Depreciation and Amortization — Interest.

[g] Using figures from Table 95, M = Long-term Debt + Subordinated Debt.

[h] Using figures from Table 95, N = Invested Net Worth + Retained Earnings — Treasury Stock.

[i] Ratio = M / I.

[j] Ratio = J / L.

[k] Ratio = G / N.

[l] Ratio = L / C.

[m] Ratio = K / E.

[n] See Pages 31–37 for related Text Notes.

TABLE 91

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY LENGTH OF SEASON

	Less than 80 Days	80 to 99 Days	100 to 119 Days	120 to 139 Days	140 to 159 Days	160 Days and Over
Gross Fixed Assets	*$3,137*	*$6,738*	*$9,341*	*$14,231*	*$20,825*	*$43,347*
Revenue						
Ski Lift Gross—Winter	$ 626	$1,629	$2,571	$ 4,340	$ 6,531	$13,990
Ski Lift Gross—Summer	2	7	69	27	58	211
Supporting Margin—Winter	133	424	685	853	1,301	2,949
Supporting Margin—Summer	(5)	16	112	98	207	(13)
Year-Round Margin	10	58	70	463	479	1,616
Total Revenue	*$ 766*	*$2,134*	*$3,508*	*$ 5,781*	*$ 8,576*	*$18,754*
Expenses and Allocations						
Ski Lift Direct Expense	$ 240	$ 594	$ 790	$ 1,130	$ 1,782	$ 3,428
Payroll Taxes	39	85	62	185	145	324
Property Operation	22	118	142	455	341	221
Subtotal, Expenses and Allocations	*$ 301*	*$ 797*	*$ 994*	*$ 1,770*	*$ 2,268*	*$ 3,973*
Operations Margin	*$ 465*	*$1,336*	*$2,514*	*$ 4,010*	*$ 6,309*	*$14,781*
Common Expenses						
General and Administrative	$ 156	$ 449	$ 611	$ 772	$ 1,097	$ 2,805
Marketing (advertising, public relations, promotion, etc.)	49	138	303	476	656	1,371
Insurance (property, liability)	72	202	256	311	426	787
Land Use Fees (public)	5	18	26	55	160	470
Land Use Fees (private)	8	1	54	15	55	66
Property Taxes	32	35	70	132	140	329
Other Taxes (except income)	3	16	13	15	36	105
Snowmaking	69	135	301	293	284	473
Snow Removal	3	10	9	18	21	46
Miscellaneous	7	64	80	85	382	557
Depreciation and Amortization	167	367	494	826	1,333	2,830
Subtotal, Common Expenses	*$ 571*	*$1,435*	*$2,217*	*$ 2,998*	*$ 4,590*	*$ 9,839*
Operating Profit (Loss)	*$ (105)*	*$ (99)*	*$ 298*	*$ 1,011*	*$ 1,718*	*$ 4,941*
Interest Expense	*$ 154*	*$ 222*	*$ 382*	*$ 484*	*$ 1,000*	*$ 1,468*
Profit (Loss) Before Tax	*$ (260)*	*$ (321)*	*$ (84)*	*$ 527*	*$ 718*	*$ 3,474*
Base	10	25	34	25	23	16

TABLE 92

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY LENGTH OF SEASON

PERCENT OF GROSS FIXED ASSETS

	Less than 80 Days	80 to 99 Days	100 to 119 Days	120 to 139 Days	140 to 159 Days	160 Days and over
Gross Fixed Assets	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Revenue						
Ski Lift Gross—Winter	20.0%	24.2%	27.5%	30.5%	31.4%	32.3%
Ski Lift Gross—Summer	0.1	0.1	0.7	0.2	0.3	0.5
Supporting Margin—Winter	4.2	6.3	7.3	6.0	6.2	6.8
Supporting Margin—Summer	– 0.2	0.2	1.2	0.7	1.0	0.0
Year-Round Margin	0.3	0.9	0.8	3.3	2.3	3.7
Total Revenue	*24.4%*	*31.7%*	*37.6%*	*40.6%*	*41.2%*	*43.3%*
Expenses and Allocations						
Ski Lift Direct Expense	7.7%	8.8%	8.5%	7.9%	8.6%	7.9%
Payroll Taxes	1.2	1.3	0.7	1.3	0.7	0.7
Property Operation	0.7	1.7	1.5	3.2	1.6	0.5
Subtotal, Expenses and Allocations	*9.6%*	*11.8%*	*10.7%*	*12.4%*	*10.9%*	*9.1%*
Operations Margin	*14.8%*	*19.8%*	*26.9%*	*28.2%*	*30.3%*	*34.1%*
Common Expenses						
General and Administrative	5.0%	6.7%	6.5%	5.4%	5.3%	6.5%
Marketing (advertising, public relations, promotion, etc.)	1.6	2.0	3.2	3.3	3.1	3.2
Insurance (property, liability)	2.3	3.0	2.7	2.2	2.0	1.8
Land Use Fees (public)	0.1	0.3	0.3	0.4	0.8	1.1
Land Use Fees (private)	0.3	0.0	0.6	0.1	0.3	0.2
Property Taxes	1.0	0.5	0.7	0.9	0.7	0.8
Other Taxes (except income)	0.1	0.2	0.1	0.1	0.2	0.2
Snowmaking	2.2	2.0	3.2	2.1	1.4	1.1
Snow Removal	0.1	0.2	0.1	0.1	0.1	0.1
Miscellaneous	0.2	1.0	0.9	0.6	1.8	1.3
Depreciation and Amortization	5.3	5.4	5.3	5.8	6.4	6.5
Subtotal, Common Expenses	*18.2%*	*21.3%*	*23.6%*	*21.0%*	*22.1%*	*22.8%*
Operating Profit (Loss)	*– 3.4%*	*– 1.5%*	*3.2%*	*7.1%*	*8.2%*	*11.4%*
Interest Expense	*4.9%*	*3.3%*	*4.1%*	*3.4%*	*4.8%*	*3.4%*
Profit (Loss) before Tax	*– 8.3%*	*– 4.8%*	*– 0.9%*	*3.7%*	*3.4%*	*8.0%*
Base	10	25	34	25	23	16

TABLE 93

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT, BY LENGTH OF SEASON

PERCENT OF REVENUE

	Less than 80 Days	80 to 99 Days	100 to 119 Days	120 to 139 Days	140 to 159 Days	160 Days and Over
Revenue						
Ski Lift Gross—Winter	81.8%	76.3%	73.3%	75.1%	76.2%	74.6%
Ski Lift Gross—Summer	0.3	0.3	2.0	0.5	0.7	1.1
Supporting Margin—Winter	17.4	19.9	19.5	14.8	15.2	15.7
Supporting Margin—Summer	– 0.7	0.7	3.2	1.7	2.4	– 0.1
Year-Round Margin	1.2	2.7	2.0	8.0	5.6	8.6
Total Revenue	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***
Expenses and Allocations						
Ski Lift Direct Expense	31.4%	27.9%	22.5%	19.6%	20.8%	18.3%
Payroll Taxes	5.1	4.0	1.8	3.2	1.7	1.7
Property Operation	2.9	5.5	4.0	7.9	4.0	1.2
Subtotal, Expenses and Allocations	*39.4%*	*37.4%*	*28.3%*	*30.7%*	*26.5%*	*21.2%*
Operations Margin	***60.7%***	***62.6%***	***71.7%***	***69.4%***	***73.6%***	***78.8%***
Common Expenses						
General and Administrative	20.4%	21.0%	17.4%	13.4%	12.8%	15.0%
Marketing (advertising, public relations, promotion, etc.)	6.4	6.5	8.6	8.2	7.6	7.3
Insurance (property, liability)	9.3	9.5	7.3	5.4	5.0	4.2
Land Use Fees (public)	0.6	0.9	0.7	1.0	1.9	2.5
Land Use Fees (private)	1.0	0.1	1.5	0.3	0.6	0.4
Property Taxes	4.2	1.6	2.0	2.3	1.6	1.8
Other Taxes (except income)	0.4	0.7	0.4	0.3	0.4	0.6
Snowmaking	9.0	6.3	8.6	5.1	3.3	2.5
Snow Removal	0.4	0.5	0.2	0.3	0.2	0.2
Miscellaneous	0.9	3.0	2.3	1.5	4.4	3.0
Depreciation and Amortization	21.8	17.2	14.1	14.3	15.5	15.1
Subtotal, Common Expenses	*74.4%*	*67.3%*	*63.1%*	*52.1%*	*53.3%*	*52.6%*
Operating Profit (Loss)	***– 13.7%***	***– 4.6%***	***8.5%***	***17.5%***	***20.0%***	***26.3%***
Interest Expense	*20.2%*	*10.4%*	*10.9%*	*8.4%*	*11.7%*	*7.8%*
Profit (Loss) Before Tax	***– 33.9%***	***– 15.0%***	***– 2.4%***	***9.1%***	***8.4%***	***18.5%***
Base	10	25	34	25	23	16

TABLE 94

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN, BY LENGTH OF SEASON

	Less than 80 Days	80 to 99 Days	100 to 119 Days	120 to 139 Days	140 to 159 Days	160 Days and Over
Ski Lift Gross Revenue (Winter)	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Direct Labor Expense						
Ski Lift Payroll	8.1%	8.0%	6.2%	5.2%	5.7%	3.8%
Ski Patrol Payroll	2.0	3.1	2.4	2.2	2.8	2.0
Slope Maintenance Payroll	2.4	2.5	2.5	2.2	2.4	1.7
Maintenance and Repair Payroll	8.0	3.4	3.9	2.5	3.2	2.8
Ticket Sales Payroll	1.8	1.7	1.8	1.3	1.2	1.3
Other Payroll	1.3	1.8	1.0	1.3	0.6	1.7
Total Payroll Expense	*23.7%*	*20.5%*	*17.8%*	*14.8%*	*16.0%*	*13.4%*
Payroll Taxes	*6.9%*	*5.1%*	*2.3%*	*4.3%*	*2.6%*	*2.2%*
Other Direct Expense	*11.2%*	*12.1%*	*11.4%*	*10.3%*	*11.6%*	*9.1%*
Total Direct Expense	*41.9%*	*37.7%*	*31.5%*	*29.4%*	*30.3%*	*24.7%*
Gross Margin	*58.1%*	*62.3%*	*68.5%*	*70.6%*	*69.7%*	*75.3%*
Base	4	16	24	17	17	14

TABLE 95

AVERAGE SKI AREA FINANCIAL DATA—BALANCE SHEET, BY LENGTH OF SEASON

	Less than 80 Days	80 to 99 Days	100 to 119 Days	120 to 139 Days	140 to 159 Days	160 Days and Over
Assets						
Current Assets	$ 95	$ 540	$ 822	$ 1,758	$ 2,572	$ 4,780
Gross Fixed Assets	3,294	6,711	9,341	15,093	20,825	43,347
Minus: Depreciation	(1,199)	(3,083)	(3,603)	(6,865)	(6,376)	(16,848)
Other Assets	325	1,055	617	1,180	2,371	5,831
Total Assets	*$2,515*	*$5,222*	*$7,177*	*$11,166*	*$19,392*	*$37,109*
Liabilities						
Current Liabilities	$ 216	$ 591	$ 943	$ 1,421	$ 1,272	$ 4,833
Long-Term Debt	1,239	1,994	3,305	2,652	7,024	10,832
Subordinated Debt	421	338	161	2,118	2,277	4,609
Deferred Taxes	12	124	106	139	359	665
Other Liabilities	556	382	151	502	366	225
Subtotal, Liabilities	*$ 2,444*	*$ 3,429*	*$ 4,666*	*$ 6,832*	*$ 11,298*	*$ 21,164*
Net Worth						
Invested	$ 1,414	$ 709	$ 2,237	$ 2,090	$ 4,738	$ 12,009
Retained Earnings	(1,343)	1,119	374	2,274	3,361	3,937
Minus: Treasury Stock	0	(36)	(99)	(29)	(6)	0
Subtotal, Net Worth	*$ 71*	*$ 1,792*	*$ 2,512*	*$ 4,335*	*$ 8,093*	*$ 15,946*
Total Liabilities and Net Worth	*$2,515*	*$5,222*	*$7,177*	*$11,166*	*$19,392*	*$37,109*
Base	9	22	34	23	23	16

IX

CHARACTERISTICS OF SKI AREAS WITH SNOWMAKING AND NIGHT SKIING OPERATIONS

For the fourteenth year, the study includes an analysis of those respondents with snowmaking capability and those who operate at night. This chapter presents tabulations on the 99 areas with snowmaking and on the 56 areas with night operations. The reader should recognize that, even though these categories have been treated separately, a number of areas (43) have both snowmaking and night skiing. Tables 96 through 105 follow the chapter text.

AREAS WITH SNOWMAKING CAPABILITY

The average ski area with snowmaking has greater VTF/hour, larger gross fixed assets, more beds at the base, more beds within 10 miles, more night operations, more land development, more skier visits, more revenue per skier visit, a higher lift ticket price, greater utilization, and a higher profit before tax than the average ski area.

Snowmaking ski areas averaged 8.0% operating profit on GFA, slightly above the ski industry average of 7.4%. However, it is generally accepted that snowmaking saved the season in many parts of the country in 1989–90. Snowmaking is dominated by areas east of the Rockies, and this past season again illustrated this. All of the respondents in the East and New England have snowmaking, and 93% of the Midwest areas responding make snow. There are 42 snowmaking ski areas in the Rockies, the West, and Western Canada, or 56% of the ski areas responding from those geographic regions. These 56% earned 9.5% operating profit on GFA.

These operations have been evaluated using the rule-of-thumb measure discussed in Chapter III:

	Total Revenue to GFA	/	Percent Utilization	=	Factor	Judgment
All Ski Areas	40.2%	/	31%	=	1.30	Good
All Snowmaking Areas	40.8	/	32	=	1.28	Good
New England Snowmaking Areas	37.2	/	33	=	1.13	Adequate
East and Midwest Snowmaking Areas	40.7	/	43	=	0.95	Poor
Rockies, West, and Western Canada Snowmaking Areas	42.6		30	=	1.42	Good
All Areas with Night Operations	40.2	/	34	=	1.18	Adequate

The 1989–90 survey contains data concerning snowmaking coverage, hours of operation, and operating costs. Tables 103 and 105 summarize this data. The average ski area with snowmaking capability uses its snowmaking operations to cover 134 acres, or 23.6%, of its skiable slopes and trails. The areas of the East and Midwest regions cover 88.9%, and New England 76.6%, of their skiable slopes and trails. In the areas of the Rockies, the West, and Western Canada, 12.0% of their skiable acreage is covered by machine-made snow.

Snowmaking Costs

In an effort to establish some standard measure of snowmaking efficiency, the authors have summarized reported expenses in costs per acre–hour of snowmaking. An acre–hour is the product of acres covered and total hours of system operation. Survey respondents were asked to supply acres of snowmaking coverage, hours of system operation, and operating costs broken down into *labor*, *power*, *maintenance*, and *other* categories.

Table 105 summarizes the results of this measure. At $2.53, the 1989–90 cost per acre–hour was up one cent from last year's $2.52 per acre–hour. The costs increased from $1.75 to $1.92 in New England and declined from $4.12 to $3.59 in the East and Midwest. The cost per acre–hour increased in the Rockies, the West, and Western Canada, from $2.26 to $2.45.

NIGHT SKIING OPERATIONS

Night operations were evaluated again for 1989–90. Night skiing effectively increases the potential earning power with only cursory additions to capital. Areas with night skiing had less VTF, fewer GFA, fewer beds at the base and within 10 miles, greater days/nights of operation, lower revenue per skier visit, and lower lift ticket prices than the average area.

In the 1989–90 season, the average area with night operations had an operating profit on GFA of 5.2%, compared to the ski industry average of 7.4%, and an average profit before tax of $140,000, compared to the industry average of $540,000. Night operations did not perform well in 1989–90. Typically they perform at a higher level.

The 56 ski areas with lights for night skiing cover an average of 90 acres, or 20.2%, of their skiable acreage.

Table 104 provides information about night skiing operations, and compares this information with averages for snowmaking areas, some of which also have night skiing.

TABLE 96

AVERAGE SKI AREA CHARACTERISTICS

SKI AREAS WITH SNOWMAKING AND SKI AREAS WITH NIGHT OPERATIONS

	Areas wth Snowmaking				All Areas wth Night Operations
	New England	*East and Midwest*	*Rockies, West, and Western Canada*	*All Areas with Snow-making*	
Size					
VTF/Hour (000)	9,686	3,803	13,108	9,296	5,465
Gross Fixed Assets (000)	$19,586	$7,283	$24,751	$17,925	$9,376
Skiable Acres	234	108	1,112	567	444
Total Acres	1,756	686	3,149	2,012	1,085
Location					
Within 50 Miles of SMSA	31%	42%	29%	33%	38%
With 6 or More Areas within 1 Hour	77%	23%	29%	39%	18%
New England	100%	0%	0%	26%	14%
East	0%	58%	0%	18%	21%
Midwest	0%	42%	0%	13%	23%
Central Rockies	0%	0%	43%	18%	4%
Northern Rockies	0%	0%	17%	7%	7%
California and Nevada	0%	0%	24%	10%	5%
Pacific Northwest	0%	0%	5%	2%	14%
Western Canada	0%	0%	12%	5%	11%
Site Characteristics					
Number of Beds at Base	1,453	363	2,318	1,424	393
Number of Beds within 10 miles	4,760	2,565	8,190	5,363	2,443
With Snowmaking	100%	100%	100%	100%	77%
With Night Skiing	31%	77%	26%	43%	100%
Terrain					
Beginner	27%	28%	23%	25%	26%
Intermediate	50%	46%	48%	48%	47%
Expert	23%	26%	29%	27%	27%
Business Characteristics					
Operating with USFS Permit	23%	0%	67%	34%	23%
Engaged in Land Development	65%	42%	29%	42%	30%
Operational Characteristics					
Average Days/Nights of Operation	123	115	122	120	128
Average Peak Day Crowd	5,926	3,869	6,550	5,547	4,354
Average Skier Visits (000)	271	123	352	259	162
Average Age of Ski Areas	35 years	28 years	27 years	30 years	31 years

Continued ...

TABLE 96 (CONTINUED)

AVERAGE SKI AREA CHARACTERISTICS

SKI AREAS WITH SNOWMAKING AND SKI AREAS WITH NIGHT OPERATIONS

	Areas wth Snowmaking				All Areas with Night Operations
	New England	*East and Midwest*	*Rockies, West, and Western Canada*	*All Areas with Snow-making*	
Economic Characteristics					
Average Revenue/Skier Visit	$ 24.03	$ 21.82	$ 26.52	$ 25.14	$ 20.76
Average Lift Ticket Revenue/Skier Visit	$ 19.98	$ 17.22	$ 22.57	$ 21.07	$ 16.95
Average Adult Lift Ticket Price					
Weekend	$ 31.11	$ 27.07	$ 28.37	$ 28.68	$ 25.37
Weekday	$ 26.58	$ 21.48	$ 27.91	$ 25.52	$ 21.83
Average Night Ticket Price					
Weekend	$ 16.75	$ 16.55	$ 14.73	$ 16.12	$ 15.67
Weekday	$ 16.75	$ 15.70	$ 13.36	$ 15.30	$ 14.83
Average Adult Season Ticket Price	$609	$360	$ 481	$478	$384
Average Utilization	33%	43%	30%	32%	34%
Average Profit (Loss) before Tax	$338	$125	$1,425	$733	$140
Ratio: Revenue/GFA	37.2%	40.7%	42.6%	40.8%	40.2%
Base	26	31	42	99	56

TABLE 97

ECONOMIC RATIOS

SKI AREAS WITH SNOWMAKING AND SKI AREAS WITH NIGHT OPERATIONS

Text Note[n]	Factor or Ratio	Key	With Snowmaking: *New England*	With Snowmaking: *East and Midwest*	With Snowmaking: *Rockies, West, and Western Canada*	With Snowmaking: *All Areas with Snowmaking*	All Areas with Night Operations
			Key Factors				
	VTF/Hour (000)[a]	A	9,686	3,803	13,108	9,296	5,465
	VTF/Hour—Demand/Skier Capacity	B	1,500	1,500	1,500	1,500	1,500
	Skier Capacity[b]	C	6,457	2,536	8,739	6,197	3,643
	Days/Nights of Operation[a]	D	123	115	122	120	128
	Season Capacity (000)	E	810	287	1,175	801	471
	Day Season Capacity (000)		739	208	1,154	749	348
	Night Season Capacity (000)		230	107	83	124	128
	Actual Skier Visits (000)[a]	F	271	123	352	259	162
	Day Skier Visits (000)[c]		250	100	360	249	131
	Night Skier Visits (000)[c]		68	34	23	38	36
	Profit (Loss) before Tax (000)[d]	G	$ 338	$ 125	$ 1,425	$ 733	$ 140
	Plus: Depreciation (000)[d]	H	$ 1,096	$ 436	$ 1,581	$ 1,095	$ 482
	Before-Tax Cash Flow (000)[e]	I	$ 1,434	$ 561	$ 3,007	$ 1,828	$ 621
	Operating Profit (Loss) (000)[d]	J	$ 1,215	$ 385	$ 2,353	$ 1,438	$ 487
	Cash Operating Costs (000)[f]	K	$ 4,971	$2,143	$ 6,611	$ 4,781	$ 2,798
	Gross Fixed Assets (000)[d]	L	$19,586	$7,283	$24,751	$17,925	$ 9,376
	Long-Term Debt (000)[g]	M	$8,039	$2,423	$10,340	$7,235	$3,288
	Equity (000)[h]	N	$5,775	$2,044	$9,881	$6,326	$2,731

Continued ...

TABLE 97 (CONTINUED)

ECONOMIC RATIOS

SKI AREAS WITH SNOWMAKING AND SKI AREAS WITH NIGHT OPERATIONS

Text Note[n]	Factor or Ratio	Areas with Snowmaking: *New England*	*East and Midwest*	*Rockies, West, and Western Canada*	*All Areas with Snowmaking*	All Areas with Night Operations
	CRITICAL RATIOS					
1,A	*Health (Debt to Cash Flow)*[j]	5.6X	4.3X	3.4X	4.0X	5.3X
B	*Profitability*					
2	Operating Profit on GFA[j]	6.2%	5.3%	9.5%	8.0%	5.2%
3	Profit (BT) on Equity[k]	5.9%	6.1%	14.4%	11.6%	5.1%
C	*Performance*					
4	Average Utilization[a]	33.4%	42.7%	29.9%	32.3%	34.5%
	Day Utilization	33.8%	48.1%	31.2%	33.2%	37.8%
	Night Utilization	29.5%	32.0%	27.6%	30.9%	28.0%
5	Days/Nights of Operation[a]	123	115	122	120	128
D	*Policy and Planning*					
6	Capital Cost/Capacity[l]	$3,033	$2,872	$2,832	$2,892	$2,574
7	Operating Cost/Capacity[m]	$ 6.14	$ 7.46	$ 5.62	$ 5.97	$ 5.94
E	*Revenue/Skier Visit (Average for All Areas)*					
	Ski Lift Gross	$ 19.98	$ 17.22	$ 22.57	$ 21.07	$ 16.95
	Ski School Margin	$ 0.85	$ 0.64	$ 1.21	$ 1.03	$ 0.74
	Food Service Margin	$ 1.12	$ 0.85	$ 1.10	$ 1.07	$ 0.89
	Bar Margin	$ 0.48	$ 0.63	$ 0.31	$ 0.41	$ 0.47
	Ski Shop Margin	$ 0.81	$ 0.34	$ 0.35	$ 0.47	$ 0.32
	Ski Rental Margin	$ 0.81	$ 1.81	$ 0.59	$ 0.83	$ 1.10
	Other Margin	$ (0.03)	$ 0.33	$ 0.39	$ 0.27	$ 0.30
8	*Total Revenue/Skier Visit*	*$ 24.03*	*$ 21.82*	*$ 26.52*	*$ 25.14*	*$ 20.76*
	Base	**26**	**31**	**42**	**99**	**56**

[a] See Table 96.

[b] C = A / B.

[c] Data collected from USIA Annual Economic Survey, 1989–90 Season; not presented elsewhere in this publication.

[d] See Table 98.

[e] I = G + H.

[f] Using figures from Table 98, K = Total Revenue — Profit (Loss) before Tax — Depreciation and Amortization — Interest.

[g] Using figures from Table 102, M = Long-term Debt + Subordinated Debt.

[h] Using figures from Table 102, N = Invested Net Worth + Retained Earnings — Treasury Stock.

[i] Ratio = M / I.

[j] Ratio = J / L.

[k] Ratio = G / N.

[l] Ratio = L / C.

[m] Ratio = K / E.

[n] See Pages 31–37 for related Text Notes.

TABLE 98

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT

SKI AREAS WITH SNOWMAKING AND SKI AREAS WITH NIGHT OPERATIONS

	Areas with Snowmaking				All Areas with Night Operations (000)
	New England (000)	*East and Midwest (000)*	*Rockies, West, and Western Canada (000)*	*All Areas with Snow-making (000)*	
Gross Fixed Assets	***$19,586***	***$7,283***	***$24,751***	***$17,925***	***$9,376***
Revenue					
Ski Lift Gross—Winter	$ 5,407	$2,112	$ 7,935	$ 5,448	$2,752
Ski Lift Gross—Summer	40	1	138	69	47
Supporting Margin—Winter	1,398	677	1,474	1,204	677
Supporting Margin—Summer	215	95	47	107	148
Year-Round Margin	220	80	951	486	142
Total Revenue	***$ 7,281***	***$2,964***	***$10,545***	***$ 7,314***	***$3,766***
Expenses and Allocations					
Ski Lift Direct Expense	$1 ,145	$ 551	$ 2,232	$ 1,420	$ 812
Payroll Taxes	110	68	243	153	75
Property Operation	430	108	297	273	261
Subtotal, Expenses and Allocations	*$ 1,685*	*$ 727*	*$ 2,772*	*$ 1,846*	*$1,148*
Operations Margin	***$ 5,596***	***$2,237***	***$ 7,773***	***$ 5,468***	***$2,619***
Common Expenses					
General and Administrative	$ 1,186	$ 424	$ 1,429	$ 1,050	$ 621
Marketing (advertising, public relations, promotion, etc.)	703	228	729	565	309
Insurance (property, liability)	407	252	452	378	238
Land Use Fees (public)	53	2	253	122	28
Land Use Fees (private)	27	60	49	47	51
Property Taxes	117	47	205	132	73
Other Taxes (except income)	56	21	28	34	17
Snowmaking	511	328	292	361	231
Snow Removal	23	2	24	17	14
Miscellaneous	201	51	378	229	70
Depreciation and Amortization	1,096	436	1,581	1,095	482
Subtotal, Common Expenses	*$ 4,380*	*$1,851*	*$ 5,420*	*$ 4,030*	*$2,134*
Operating Profit (Loss)	***$ 1,215***	***$ 385***	***$ 2,353***	***$ 1,438***	***$ 487***
Interest Expense	*$ 877*	*$ 260*	*$ 927*	*$ 705*	*$ 347*
Profit (Loss) before Tax	***$ 338***	***$ 125***	***$ 1,425***	***$ 732***	***$ 140***
Base	26	31	42	99	56

TABLE 99

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT

SKI AREAS WITH SNOWMAKING AND SKI AREAS WITH NIGHT OPERATIONS

PERCENT OF GROSS FIXED ASSETS

	With Snowmaking				All Areas with Night Operations
	New England	*East and Midwest*	*Rockies, West, and Western Canada*	*All Areas with Snow-making*	
Gross Fixed Assets	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***
Revenue					
Ski Lift Gross—Winter	27.6%	29.0%	32.1%	30.4%	29.4%
Ski Lift Gross—Summer	0.2	0.0	0.6	0.4	0.5
Supporting Margin—Winter	7.1	9.3	6.0	6.7	7.2
Supporting Margin—Summer	1.1	1.3	0.2	0.6	1.6
Year-Round Margin	1.1	1.1	3.8	2.7	1.5
Total Revenue	***37.2%***	***40.7%***	***42.6%***	***40.8%***	***40.2%***
Expenses and Allocations					
Ski Lift Direct Expense	5.8%	7.6%	9.0%	7.9%	8.7%
Payroll Taxes	0.6	0.9	1.0	0.9	0.8
Property Operation	2.2	1.5	1.2	1.5	2.8
Subtotal, Expenses and Allocations	*8.6%*	*10.0%*	*11.2%*	*10.3%*	*12.3%*
Operations Margin	***28.6%***	***30.7%***	***31.4%***	***30.5%***	***27.9%***
Common Expenses					
General and Administrative	6.1%	5.8%	5.8%	5.9%	6.6%
Marketing (advertising, public relations, promotion, etc.)	3.6	3.1	2.9	3.2	3.3
Insurance (property, liability)	2.1	3.5	1.8	2.1	2.5
Land Use Fees (public)	0.3	0.0	1.0	0.7	0.3
Land Use Fees (private)	0.1	0.8	0.2	0.3	0.5
Property Taxes	0.6	0.6	0.8	0.7	0.8
Other Taxes (except income)	0.3	0.3	0.1	0.2	0.2
Snowmaking	2.6	4.5	1.2	2.0	2.5
Snow Removal	0.1	0.0	0.1	0.1	0.1
Miscellaneous	1.0	0.7	1.5	1.3	0.7
Depreciation and Amortization	5.6	6.0	6.4	6.1	5.1
Subtotal, Common Expenses	*22.4%*	*25.3%*	*21.8%*	*22.6%*	*22.6%*
Operating Profit (Loss)	***6.2%***	***5.3%***	***9.5%***	***8.0%***	***5.2%***
Interest Expense	*4.5%*	*3.6%*	*3.7%*	*3.9%*	*3.7%*
Profit (Loss) before Tax	***1.7%***	***1.7%***	***5.8%***	***4.1%***	***1.5%***
Base	26	31	42	99	56

TABLE 100

AVERAGE SKI AREA FINANCIAL DATA—INCOME STATEMENT

SKI AREAS WITH SNOWMAKING AND SKI AREAS WITH NIGHT OPERATIONS

PERCENT OF REVENUE

	With Snowmaking				All Areas with Night Operations
	New England	*East and Midwest*	*Rockies, West, and Western Canada*	*All Areas with Snow-making*	
Revenue					
Ski Lift Gross—Winter	74.3%	71.2%	75.3%	74.5%	73.1%
Ski Lift Gross—Summer	0.6	0.0	1.3	0.9	1.3
Supporting Margin—Winter	19.2	22.8	14.0	16.5	18.0
Supporting Margin—Summer	3.0	3.2	0.4	1.5	3.9
Year-Round Margin	3.0	2.7	9.0	6.6	3.8
Total Revenue	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Expenses and Allocations					
Ski Lift Direct Expense	15.7%	18.6%	21.2%	19.4%	21.6%
Payroll Taxes	1.5	2.3	2.3	2.1	2.0
Property Operation	5.9	3.6	2.8	3.7	6.9
Subtotal, Expenses and Allocations	*23.1%*	*24.5%*	*26.3%*	*25.2%*	*30.5%*
Operations Margin	*76.9%*	*75.5%*	*73.7%*	*74.8%*	*69.5%*
Common Expenses					
General and Administrative	16.3%	14.3%	13.6%	14.4%	16.5%
Marketing (advertising, public relations, promotion, etc.)	9.7	7.7	6.9	7.7	8.2
Insurance (property, liability)	5.6	8.5	4.3	5.2	6.3
Land Use Fees (public)	0.7	0.1	2.4	1.7	0.7
Land Use Fees (private)	0.4	2.0	0.5	0.6	1.3
Property Taxes	1.6	1.6	1.9	1.8	1.9
Other Taxes (except income)	0.8	0.7	0.3	0.5	0.4
Snowmaking	7.0	11.1	2.8	4.9	6.1
Snow Removal	0.3	0.1	0.2	0.2	0.4
Miscellaneous	2.8	1.7	3.6	3.1	1.9
Depreciation and Amortization	15.0	14.7	15.0	15.0	12.8
Subtotal, Common Expenses	*60.2%*	*62.5%*	*51.5%*	*55.1%*	*56.5%*
Operating Profit (Loss)	*16.7%*	*13.0%*	*22.3%*	*19.7%*	*12.9%*
Interest Expense	*12.0%*	*8.8%*	*8.8%*	*9.6%*	*9.2%*
Profit (Loss)Before Tax	*4.6%*	*4.2%*	*13.5%*	*10.0%*	*3.7%*
Base	26	31	42	99	56

TABLE 101

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN[a]

SKI AREAS WITH SNOWMAKING AND SKI AREAS WITH NIGHT OPERATIONS

	Areas wth Snowmaking				
	New England	*East and Midwest*	*Rockies, West, and Western Canada*	*All Areas with Snow-making*	Areas with Night Operations
Ski Lift Gross Revenue (Winter)	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***
Direct Labor Expense					
Ski Lift Payroll	4.5%	5.8%	5.0%	4.9%	6.4%
Ski Patrol Payroll	1.9	1.7	2.6	2.3	2.3
Slope Maintenance Payroll	2.0	1.8	2.2	2.1	2.2
Maintenance and Repair Payroll	2.7	3.4	3.0	3.0	3.5
Ticket Sales Payroll	1.4	1.0	1.4	1.4	1.7
Other Payroll	0.8	0.9	1.6	1.3	0.8
Total Payroll Expense	*13.3%*	*14.5%*	*15.8%*	*15.0%*	*16.7%*
Payroll Taxes	*2.0%*	*3.0%*	*3.2%*	*2.9%*	*2.5%*
Other Direct Expense	*9.0%*	*8.4%*	*11.1%*	*10.3%*	*10.9%*
Total Direct Expense	***24.3%***	***25.9%***	***30.0%***	***28.1%***	***30.1%***
Gross Margin	***75.7%***	***74.1%***	***70.0%***	***71.9%***	***69.9%***
Base	20	18	36	74	39

[a] Includes only those areas which supplied a Winter Lift Department Direct Labor breakdown with their Income Statement data.

TABLE 102

AVERAGE SKI AREA FINANCIAL DATA—BALANCE SHEET

SKI AREAS WITH SNOWMAKING AND SKI AREAS WITH NIGHT OPERATIONS

	Areas wth Snowmaking				All Areas wth Night Operations (000)
	New England (000)	*East and Midwest (000)*	*Rockies, West, and Western Canada (000)*	*All Areas with Snow-making (000)*	
Assets					
Current Assets	$ 2,301	$ 855	$ 2,816	$ 2,061	$ 775
Gross Fixed Assets	19,849	7,433	25,703	18,393	9,791
Minus: Depreciation	(7,134)	(3,541)	(9,335)	(6,926)	(3,875)
Other Assets	1,999	611	3,566	2,221	696
Total Assets	*$17,016*	*$5,357*	*$22,750*	*$15,749*	*$7,387*
Liabilities					
Current Liabilities	$ 2,054	$ 542	$ 2,124	$ 1,606	$ 837
Long-Term Debt	6,212	2,080	7,268	5,352	3,039
Subordinated Debt	1,827	343	3,072	1,883	249
Deferred Taxes	553	174	129	255	195
Other Liabilities	596	173	276	327	335
Subtotal, Liabilities	*$11,242*	*$ 3,312*	*$12,869*	*$ 9,423*	*$ 4,655*
Net Worth					
Invested	$ 4,062	$ 733	$ 7,185	$ 4,326	$ 1,629
Retained Earnings	1,763	1,412	2,713	2,052	1,182
Minus: Treasury Stock	(50)	(101)	(17)	(52)	(80)
Subtotal, Net Worth	*$ 5,775*	*$ 2,044*	*$ 9,881*	*$ 6,326*	*$ 2,731*
Total Liabilities and Net Worth	*$17,016*	*$5,357*	*$22,750*	*$15,749*	*$7,387*
Base	26	31	42	99	56

TABLE 103

SNOWMAKING ACREAGE, COVERAGE, AND CAPACITY

SKI AREAS WITH SNOWMAKING

	New England	East and Midwest	Rockies, West, and Western Canada	All Areas with Snowmaking
Average Skiable Acres	234	108	1,112	567
Average Snowmade Acres	179	96	134	134
Average Proportion of Total Acres	76.6%	88.9%	12.0%	23.6%
Total Skier Capacity	6,457	2,536	8,739	6,197
Average Snowmade Capacity	4,944	2,253	1,049	1,462
Average Snowmade Density	28	23	8	11
Base	26	31	42	99

TABLE 104

NIGHT SKIING ACREAGE AND CAPACITY

SKI AREAS WITH SNOWMAKING AND SKI AREAS WITH NIGHT OPERATIONS

	Areas with Snowmaking[a]			All Areas with Night Skiing
	New England	*East and Midwest*	*Rockies, West, and Western Canada*	
Average Skiable Acres	234	108	1,112	444
Average Lighted Acres	79	73	73	90
Average Proportion of Lighted Acres	33.7%	67.3%	6.5%	20.2%
Average Night Capacity	2,569	2,314	1,295	1,984
Average Night Density	33	32	18	22
Base	**26**	**31**	**42**	**56**

[a] Some areas with snowmaking do not have night skiing operations; their data *is* included in the averages given above for Areas with Snowmaking.

TABLE 105

SNOWMAKING COST ANALYSIS

	New England	East and Midwest	Rockies, West, and Western Canada	All Areas with Snowmaking
Expenses				
Labor (000)	$131.7	$ 58.3	$ 82.0	$ 87.6
Power (000)	$246.1	$184.6	$109.6	$168.9
Maintenance (000)	$ 93.0	$ 59.3	$ 61.2	$ 69.0
Other (000)	$ 40.3	$ 26.0	$ 38.9	$ 35.2
Total Cost (000)	***$511.1***	***$328.1***	***$291.7***	***$360.7***
Acres Covered	179	96	134	134
Hours Operated	1,481	953	891	1,065
TOTAL ACRE-HOURS	*265,099*	*91,488*	*119,394*	*142,710*
AVERAGE COST PER ACRE-HOUR	***$ 1.92***	***$ 3.59***	***$ 2.45***	***$ 2.53***
Base	**26**	**31**	**42**	**99**

X

COMMENTS FROM SKI AREAS

The questionnaire asked respondents to provide comments on the season: What were the highlights, such as new areas or major expansions, unusual weather conditions, or major pricing or marketing activities that affected their performance for the 1989–90 season? The answers to this question are reported verbatim in this chapter. They have been arranged by geographic sector to make them more meaningful.

EAST

Excellent weather early in the season resulted in good snowmaking and attendance. However, weather conditions adversely affected every weekend during the months of January and February because of high winds and/or rain. During the middle of March, warm weather and rain effectively ended the season.

Season started early and strong with best snowmaking and skiing in December ever. January and February were flat with warm rainy spells. Spring returned strong. Overall record skier visits, record length of season.

Poor natural snowfall, increased snowmaking capability but unseasonably warm weather resulting in decreased snowmaking man–hours.

Mt. Sunapee had the earliest opening ever as a result of snowmaking expansion. Later coldest December in 90 years resulted in great snowmaking, two key snowfalls enabled us to survive earlier thaws. We did close earlier than anticipated in late March. Good season overall.

Best ever!

Cold weather in December 1989 hurt skier days. January through March was average until warm spell in mid-March. Two-foot storm brought us back strong while other New England areas were forced to close. April and May were better than prior years. Closed 5/28/90. Recorded 208 days of skiing.

The installation of our new high-speed detachable quad and expanded snowmaking coverage helped for a favorable winter, in spite of varied weather pattern.

Extremely cold December gave us our best start ever on man-made snow. Best year ever in both skier visits and gross revenues, but revenue per skier was significantly lower—seemed to be lots of bargain hunters. Two for one days (Tuesdays, Wednesdays) were extremely successful, drawing near capacity crowds several times!

First year of operations with new quad chair and mid-mountain lodge (which included day care), which had a positive impact on both hotel operations and day skiers.

In spite of our shortest season in seven years (111 operating days) and the fact that it rained during nine straight weeks from Christmas to the end of February, we still managed to increase skier visits by 7%.

Weather hurt us Christmas week (–25°F), and raining weekends hurt us seven weekends in a row. Learn-to-ski efforts were up and effective. Master planning is underway for major efforts in 1991.

Very cold early season—good snowmaking. After January, more normal temperatures. Low snowfall, lost some weekend days to rain and adverse weather. New England economy (eastern Massachusetts) not healthy.

Cold weather during Christmas holidays and rain at Easter explain the slight drop of 2% for skier visits. However, this has been our second-best ski season.

Very good December (weather and attendance). However, at the end of December the weather became unseasonably warm and our season turned sour. January and February had the worst attendance in recent (5–10) years.

New Quad chair; cold from November 15 to New Year, mild and unseasonable the rest of the winter; 18-hole golf opened.

Weather was not good in January, February and March. No natural snow and not cold enough to make snow.

Below normal temperatures in December 1989 allowed our ski areas to open all slopes prior to Christmas week. The rain on weekends in January, February, and March of 1990 significantly influenced the decline in skier visits for the season.

The fiscal year 1990 will be remembered as a year in which we were lucky to make a small profit. Pre-tax income of $107,694.00 was the lowest since fiscal year 1975. This result, of course, is attributable to the unseasonable winter weather that plagued the area during January, February and March (after a very cold and excellent December). Warm temperatures, rain on a number of weekends, and the almost total absence of natural snow reduced skier visits and, correspondingly, revenues substantially.

Construction of a new 72,000 square foot base lodge for the 1989–90 season.

The 1989–90 season was again an excellent year for us, despite the unfavorable middle-to-late season weather. Our new "advanced skiers" area, as well as our continuing yearly expansion and improvements, have kept skiers interest, bringing them back year after year and attracting new skiers. Our marketing strategy is simple—give skiers a good value for their money and keep prices within range of what our market can afford.

Below normal temperatures in December 1989 allowed our ski area to open all slopes prior to Christmas week. The rain on weekends in January, February and March of 1990 significantly influenced the decline in skier visits for the season.

Best December in our history due to coldest December on record in our region. Eight-week thaw in January and February was very harmful, as was extreme heat wave mid-March, which resulted in an early end to the season.

Good season. Very quick ending two weeks earlier than normal.

Weather conditions after December were very adverse for the H.C. ski business.

Great beginning of year with plenty of snow and cold weather in December. First year in history to have entire mountain open before Christmas. Mid-January thaw lasted until late March, forcing earliest closing ever (March 16).

Expansion included a new CTEC Quad chair and 22 acres of new terrain (two trails). Great December weather created record numbers. Poor weather (warm and rainy) lasted through January and February, leading to a disappointing season. Sales were 27% off budget.

Poor snowfall, excessive rain, and warm conditions. Poor daily skier turnout. Generated more group business!

Three million dollar base facilities expansion completed—positive feedback. Bitter cold December followed by a January thaw that lasted until the second week of March. Rain almost every Thursday and Friday in January and February. Skier visits were down for the first time in our history. Not a great year.

MIDWEST

The "will" was there but not the "way"! January: snow, 1 inch; rain, 9 inches. February: snow, 0.2 inch; rain, 7.38 inches. We don't like the statistics and the bottom line; neither does our banker.

We experienced good weekend weather. We had below normal precipitation and had one of our coldest Decembers and warmest Januarys. We closed about a week early due to rain.

Unusually cold start led to best start ever and excellent holiday period which resulted from good early snowmaking. Did not open any sooner, but when we did open, we were 100% open. January and February were very warm (second warmest ever) and very rainy (had rain at least once each week in 8 of last 10 weeks of season). Focus of expansion was a new rental shop. Expect long-term profits by reducing rental frustrations and thus reducing skier dropout. Conclusion: great start; mediocre balance; overall, very average season.

Very abrupt ending with 70° weather in early and middle March.

Increased snowmaking, added one trail.

A season of dramatic contrasts: the best December ever, the biggest day ever (December 28), and the worst January and February in memory. Rain and thaw, or forecast of same, nearly every weekend after the first of the year.

Good snowmaking in late November and early December helped Christmas and helped sustain January thaw.

Good December and holidays. Skier count down in February and March.

The drop in peak attendance of almost 1,000 skiers from that of the previous year (33%) comes from soft weather (i.e., lack of natural snow in skier's yards) through peak season. For the second season in a row, strong February results helped offset the negative effect of this on the bottom line.

ROCKIES

No significant changes in operation; strong December, weak January and February due to low snowfall. Major snowfall in March created strong rebound. Friday FASKI program improved skier days for Fridays.

Lack of snow resulted in a decrease in business. We are looking forward to next season.

This was our latest opening on record (December 15), creating our shortest ski season on record. Through December it was our third worst snow year on record. The net result was a 30% decrease in attendance from 1988–89 as of the end of January. Snows began in January and continued through the season. The end-of-season total snowfall was 110% of normal. The result was an attendance rebound from February through April. By closing, we were down only 2.8%. We experienced increases in both gross revenue and yield.

Opened Imperial Bowl (out-of-bounds, not lift-served). No significant changes in operations or marketing approach. Dry year.

Very poor snow conditions at Christmas, 1989. Marketing restricted for 1989–90 due to being under control of FDIC/RTC.

Expanded retail shops. New day skier/base area lodge. Expanded cafeteria. New restaurant, bar, leased spaces. Fair/poor snow conditions thru February.

Angel Fire, for the second season in a row, has gotten good snow conditions; better than the surrounding areas, which is one of the reasons to show good numbers in most operations.

Snow conditions in the southwest region of Colorado were especially poor early season. Wolf Creek depends on early season crowds. In a normal year, most areas are not open, whereas Wolf Creek is 100% on natural snow by Thanksgiving. Opening date for Wolf Creek was December 22 with one run open. Christmas was lost, Spring break was good, but not great. Bad snow early in season creates bad press and cancellations occur even when the snow gets good.

Abnormal amount of electrical storms caused closings, no new expansions.

Only 80 inches of natural snow versus the normal of 150 inches contributed to 4% reduction in skier visits.

During the summer of 1989, Copper Mountain constructed its second high-speed detachable Quad chair lift, the American Eagle, which replaced "F" lift, one of the original double chair lifts constructed at Copper. This past season, Copper Mountain intentionally reduced the amount of lift ticket discounts and promotions in order to achieve a higher lift ticket yield per skier day. The actual higher lift ticket yield obtained resulted in a significant increase in lift ticket revenues as compared to the 1988–89 season, even with the expected drop in skier days. The less-than-average snowfall did have a negative impact on skier days, especially with the Colorado front range skier.

Less than average snowfall.

Poor snow at Christmas.

Delayed opening 12 days due to late snowfall. Christmas and March were real strong. Daily lift ticket price was held the same for two seasons.

100 inches of snow in 10 days boosted early season numbers.

This was our best season in six years. The new Silver Chair in the West Bowl was fully operational. Our improved snowmaking and grooming supplemented a mediocre natural snowfall. The improved economy in our market area helped.

Major expansion: mid-mountain restaurant, relocation of three chair lifts, installation of a high speed quad, major trail redesign and improvements.

High speed detachable quad, fixed grip quad. Salt Lake City chosen as 1998 USOC choice. Snowmaking, America's opening World Cup on November 23–26, 1989.

Bad weather in early season equalled a late start, and early melt in spring equalled a decline in skier visits.

The 1989–90 season was one of moderate snow. Deer Valley spent $1,400,000 on snowmaking, which helped us have a successful season.

A new high speed quad, snowmaking, and a doubling of the size of the Summit House Restaurant were all well received by Montana's Big Mountain customers. Unseasonably warm weather in late March slowed skier visits, but we still experienced a record year.

The 1989–90 was our first season with a chair. Our full expansion, i.e., new runs, was not completed. Good snow year: 200 total inches.

Not great snow, but okay. Increased state advertising for winter is really paying off!

WEST

Early opening, October 28th. Reclosed week prior to Thanksgiving and reopened Thanksgiving weekend. Good consistent weather for skiing. Low snow year. Sold subsidiary for gain.

15–20% below average snowfall, not really enough skiable snow until mid-January. Superbowl and football play-off games with our local San Francisco 49ers hurt weekends. Good Martin Luther King Day, storm on President's weekend, extremely warm temperatures March through April caused loss of tickets at end of season, and we could not stay open through Easter week, as is normal.

Replaced summit chair with new detachable quad. Light snowfall throughout year. Biggest use of snowmaking to date.

No precipitation (rain or snow) in the month of December 1989. However, it snowed four to five feet on Washington's Birthday weekend.

Again, snowfall was below normal and extensive snowmaking kept us operational. November, December, January, and April were marginal, while February set a record, and March was average. We did not raise lift ticket price this season.

Low snowfall resulted in small crowds during November, December, and January.

Some slope improvements for beginners from summer 1989. Still no snowmaking, did not open until mid-January.

No snowfall in December contributed to a slow start, but good conditions in February and March enabled us to meet projections. President's Day weekend snowed out.

The season started late. We missed opening for Thanksgiving and did not get good business volume until Christmas vacation. January and February were very strong and March was adequate, resulting in a skier day volume a little better than average for the season. Heavy dependency on snowmaking as usual. Natural snowfall and precipitation were again below normal. Profitability was good. Beginner promotion programs under "Ski It to Believe It" umbrella were successful.

Opened south face of our ridge. Once again suffered from bad timing of storms, losing Thanksgiving, one week of Christmas, and President's Day.

Good. Two new detachable quads eliminated many lift lines. Bad drought; poor snow year. Snowmaking paid off.

A very short, yet intense season (January 14th through March 25th) overshadowed trail, base area, and snowmaking improvements. Adult ticket price was up $4, but revenue per visit remained the same due to discounting. Plan to discontinue discounting in 1990–91.

The season did not begin until early January, therefore missing the holiday season. Our business was off 30%, which resulted in a loss for the year. We have continued to invest a major amount of time and money in our updated FEIS.

Lack of snow over Thanksgiving and Christmas provided significant impact through the entire season. Very good snow in February and March, skier visits show noticeable improvement from mid-January on, with record April. New direct air service from California and Washington helped skier visits recover, particularly from southern California.

Delayed snow fall caused Crystal to open six to eight weeks later than normal, on January 10, 1990, thereby leaving Crystal without 1/3 of its normal revenue.

Ski operations began on January 5, 1990; record 18 feet of snow in 18 days at the end of January and first of February. Skier visits down approximately 20%.

Late snow. Ran summer lift Thanksgiving through early January.

Lack of natural snow prevented area from opening with "full operations" until mid-January. After that visits were above normal, but not enough to make up for lost holidays.

The ski area did not start operation until January 18, 1990 due to insufficient snow. This was the second latest opening in the 26 year history of the area. Skier visits and income were down 50% from previous season.

Very late opening (January 5, 1990); shut down for three days after opening due to windstorm.

Excellent snow conditions and increase in number of days of operation.

Wintergreen is in the process of developing an 18-hole golf course.

Late opening on January 4, 1990, with very marginal conditions, then some record snow fall accumulations starting January 20, 1990. Excellent attendance for February and March 1990.

Snow came too late for Christmas season (for the fifth time in seven years) but we ended up with 600 cm of snowfall; Easter was too late for good crowds.

Additional retail locations, 230 hectare ski terrain expansion, special park permit for Glacier Ski region, new high speed quad lift, new log hut restaurant, doubled kids camp and Administration Building.

Added first high speed detachable lift. Excellent Christmas season with good snow conditions, while most of province suffered from little or no snow.

Did not open until January 7, 1990—no snow.

No operational hours prior to January 1, 1990 due to late arrival of snow.

We experienced moderate growth of 5% in skier visits. All departments continue to improve on revenue per skier visit. Maintenance costs continue to rise substantially. Real estate sales increased substantially due to development of an 80 lot residential subdivision. The strong demand is due to our excellent product and our continuing expansion of our mountain.

Late starting season due to lack of snow; record snowfalls in late January and February brought large crowds; opening of new detachable quad.

APPENDIX A

SKI AREAS RESPONDING TO THE USIA ANNUAL ECONOMIC SURVEY, 1989–90 SEASON

This list gives the names and addresses of the 133 ski areas that responded to the annual economic survey and provided complete financial data. The ski areas are listed in alphabetical order by geographic sector.

EAST

Alpine Mt. Ski Area
Rt. 447
Analomink, PA 18320

Attitash Ski Area
Box 308
Bartlett, NH 03812

Beech Mountain Resort, Inc.
P.O. Box 1118
Banner Elk, NC 28604

Big Boulder Ski Area
P. O. Box 707
Blakeslee, PA 18610

Blue Mountain Resorts, Ltd.
R. R. 3
Collingwood, Ontario
Canada L9Y 3Z2

Bretton Woods Ski Area
Box 174
Twin Mountain, NH 03595

Bromley
P. O. Box 1130
Manchester Center, VT 05255

Camelback Ski Corporation
P. O. Box 168
Tannersville, PA 18372

Elk Mountain Ski Center, Inc
R. D. #1, Box 258
Union Dale, PA 18470

Gray Rocks Inn, Ltd.
P.O. Box 1000
St.-Jovite, Quebec
Canada J0T 2H0

Gunstock Area
P. O. Box 1307
Laconia, NH 03247–1307

Haystack Ski Area
R. R. 1, Box 173
Wilmington, VT 05363

EAST, CONTINUED

Holiday Valley Resort
P. O. Box 370
Holiday Valley Road
Ellicottville, NY 14731

Jack Frost Mountain
P. O. Box 707
Blakeslee, PA 18610

Jay Peak
Rt. 242
Jay, VT 05859

Jiminy Peak, Inc.
Corey Road
Hancock, MA 01237

Killington Ski Area
Killington Road
Killington, VT 05751

King Ridge
R. R. 1, Box 3130
New London, NH 03257

Loon Mountain
Recreation Corporation
Rt. 112
Lincoln, NH 03251

Magic Mountain
RFD 1, Box 32
Londonderry, VT 05148

Mont Sutton, Inc.
C. P. 280
Sutton, Quebec
Canada J0E 2K0

Mount Mansfield Resort
P. O. Box 1310
Stowe, VT 05672

Mount Snow, Ltd.
Mountain Road
West Dover, VT 05356

Mt. Cranmore, Inc.
P. O. Box 1640
North Conway, NH 03860

Mt. Sunapee Ski Area
Mt. Sunapee State Park
Mt. Sunapee, NH 03772

Mt. Tom Ski Area, Inc.
P.O. Box 1158
Holyoke, MA 01040

Okemo Mountain, Inc.
RFD #1
Ludlow, VT 05149

Osler Bluff Ski Club
R. R. #1
Collingwood, Ontario
Canada L9Y 3Y9

Parc du Mont-Sainte-Anne
P. O. Box 400
Beaupre, Quebec
Canada G0A 1E0

Shawnee Mountain, Inc.
P. O. Box 93
Shawnee on Delaware, PA 18536

Silver Creek Resort
P. O. Box 83
Snowshoe, WV 26209

Ski Liberty
P. O. Box Ski
Carroll Valley, PA 17320

EAST, CONTINUED

Ski Roundtop
925 Roundtop Road
Lewisberry, PA 17339

Ski Valley Club, Inc.
6586 West Hollow Road
Naples, NY 14512

Ski Windham
C. D. Lane Road
P. O. Box 459
Windham, NY 12496

Snowshoe Mt. Resort
P. O. Box 10
Snowshoe, WV 26209

Station de Ski Bromont, Inc.
150 Champlain
Bromont, Quebec
Canada J0E 1L0

Station Touristique
Mont Saint-Sauveur
350 St-Denis Street
St. Sauveur-des-Monts, Quebec
Canada J0R 1R0

Sugar Mountain Resort, Inc.
P. O. Box 369, Highway 184
Banner Elk, NC 28604

Sugarloaf USA
Carrabassett Valley
Kingfield, ME 04947

Sunday River Ski Resort
P. O. Box 450
Sunday River Road
Bethel, ME 04217

Swain Ski Slopes, Inc.
County Road #24
Swain, NY 14884

Wachusett Mountain
499 Mountain Road
Princeton, MA 01541–1105

Waterville Valley
Tripoli Road
Waterville Valley, NH 03215

MIDWEST

Caberfae Ski Resort
Caberfae Road
Cadillac, MI 49601

Cascade Mountain, Inc.
W10441 Cascade Mountain Road
Portage, WI 53901

Chestnut Mt. Resort
8700 West Chestnut
Galena, IL 61036

Crystal Mountain Resort
M–115 at Lindy Road
Thompsonville, MI 49683

Mad River Mountain
Box 22
Bellefontaine, OH 43311

Mt. La Crosse
P. O. Box 9
La Crosse, WI 54602

Nubs Nob
4021 Nubs Nob Road
Harbor Springs, MI 49740

Paoli Peaks, Inc.
P. O. Box 67
Paoli, IN 47454

Pine Mountain
N3332 Pine Mountain Road
Iron Mountain, MI 49801

Skyline Ski Area
Rt. 1, Box 1708
Grayling, MI 49738

Snow Trails Ski Resort
P. O. Box 1456
Mansfield, OH 44901

Snowstar
9500 126th Street West
Taylor Ridge, IL 61284

Sundown
17017 Asbury Road
Dubuque, IA 52001

Wilmot Mountain, Inc.
P. O. Box 177
Wilmot, WI 53192

ROCKIES

Alta Ski Lifts
P.O. Box 8007
Alta, UT 84092

Angel Fire Resort
Drawer B
Angel Fire, NM 87710

Antelope Butte
Box 460
Dayton, WY 82836

Beaver Creek
P.O. Box 7
Vail, CO 81658

The Big Mountain
P. O. Box 1400
Whitefish, MT 59937

Bogus Basin Ski Resort
2405 Bogus Basin Road
Boise, ID 83702

Breckenridge Ski Corporation
P. O. Box 1058
Breckenridge, CO 80424

Brian Head
P.O. Box 190008
Brian Head, UT 84719–0008

Bridger Bowl
15795 Bridger Canyon
Bozeman, MT 59715

Copper Mountain Resort
P.O. Box 3001
Copper Mountain, CO 80443

Crested Butte Mountain Resort
P. O. Box A
Mt. Crested Butte, CO 81225

Deer Valley Resort
P. O. Box 889
Park City, UT 84060

Eldora Mountain Resort
P.O. Box 430, Eldora Ski Road
Nederland, CO 80466

Grand Targhee Resort
Box SKI
Alta, WY 83422

Great Divide
P.O. Box SKI
Marysville, MT 59640

Jackson Hole Ski Corporation
P. O. Box 290
Teton Village, WY 83025

Monarch Ski Resort
#1 Powder Place
Garfield, CO 81227

Montana Snowbowl
P. O. Box 8226
Missoula, MT 59807

Park City Ski Area
P. O. Box 39
Park City, UT 84060

Purgatory Ski Resort
P. O. Box 666
Durango, CO 81302

Red Lodge Mountain
P.O. Box 750
Red Lodge, MT 59068

Red River Ski Area
P.O. Box 900
Red River, NM 87558

ROCKIES, CONTINUED

Sandia Peak Ski Area
#10 Tramway Loop NE
Albuquerque, NM 87122

Santa Fe Ski Area
1210 Luisa Street, Suite 10
Santa Fe, NM 87501

SilverCreek Ski Area
P.O. Box 1110
Granby, CO 80446

Sipapu Ski Area
Rt. Box 29
Vadito, NM 87579

Ski Cooper
P. O. Box 896
Leadville, CO 80461

Ski Rio
P. O. Box 59
Costilla, NM 87524

Ski Sunlight, Inc.
10901 County Road 117
Glenwood Springs, CO 81601

Solitude Ski Resort Co.
P. O. Box 2150
Salt Lake City, UT 84121–0350

Steamboat Ski and Resort
2305 Mt. Werner Circle
Steamboat Springs, CO 80487

Taos Ski Valley, Inc.
Taos Ski Valley, NM 87525

Vail
P.O. Box 7
Vail, CO 81658

Winter Park Resort
P. O. Box 36
Winter Park, CO 80482

Wolf Creek Ski Area
P. O. Box 1036
Pagosa Springs, CO 81147

WEST

Alpental/Ski Acres/Snoqualmie
3010 77th Avenue S.E.
Mercer Island, WA 98040

Alpine Meadows
Box 5279
Tahoe City, CA 95730

Bear Mountain Ski Resort
P. O. Box 6812
43101 Goldmine Drive
Big Bear Lake, CA 92315

Big White Ski Resort, Ltd.
P. O. Box 2039, Station R
Kelowna, British Columbia
Canada V1X 4K5

Blackcomb Mountain
Box 98
Whistler, British Columbia
Canada V0N 1B0

Boreal Ski Area
P.O. Box 39
Truckee, CA 95734

Crystal Mountain, Inc.
P. O. Box 158
Enumclaw, WA 98022

Cypress Bowl Ski Area
P.O. Box 91252
West Vancouver, British Columbia
Canada V7V 3N9

Dodge Ridge Ski Area
P. O. Box 1188
Pinecrest, CA 95364

Eaglecrest Ski Area
155 South Seward Street
Juneau, AK 99801

Grouse Mountain Resorts
6400 Nancy Greene Way
North Vancouver, British Columbia
Canada V7R 4K9

Heavenly Valley
P. O. Box 2180
Stateline, NV 89449

Hoodoo Ski Bowl
Box 20, Highway 20
Sisters, OR 97759

Iron Mountain Ski Resort
P.O. Box 1500
Pioneer, CA 95666

Kirkwood Associates, Inc.
P. O. Box 1
Kirkwood, CA 95646

Kratka Ridge
Star Route
La Canada, CA 91011

Mammoth/June Ski Resort
P. O. Box 24
Mammoth Lakes, CA 93546

Marmot Basin Ski Lifts, Ltd.
Box 1300
Jasper, Alberta
Canada T0E 1E0

WEST, CONTINUED

Mission Ridge
P. O. Box 1765
Wenatchee, WA 98807–1765

Mt. Ashland Ski Area
P.O. Box 220
Ashland, OR 97520

Mt. Bachelor Ski & Summer Resort
335 Century Drive
Bend, OR 97701

Mt. Hood Meadows
P. O. Box 470
Mt Hood, OR 97041

Mt. Rose
P. O. Box 2406
Reno, NV 89505

Mt. Shasta Ski Park
104 Siskiyou Avenue
Mt. Shasta, CA 96067

Mt. Washington Ski Resort
P. O. Box 3069
Courtenny, British Columbia
Canada V9N 5N3

Northstar-at-Tahoe
P. O. Box 129
Truckee, CA 95734

Red Mountain Resorts, Inc
P.O. Box 670
Rossland, British Columbia
Canada V0G 1Y0

Sierra Ski Ranch
Sierra Ski Ranch Road
Twin Bridges, CA 95735

Silver Star Mountain Resorts, Ltd.
P. O. Box 2
Silver Star Mountain,
British Columbia
Canada V0E 1G0

Ski Bluewood
P. O. Box 88
Dayton, WA 99328

Skiing Louise, Ltd.
408–1550–8th Street, Southwest
Suite 505
Calgary, Alberta
Canada T2R 1K1

Smithers Ski Corporation
Box 492
Smithers, British Columbia
Canada V0J 2N0

Snow Summit Ski Area
P. O. Box 77
Big Bear Lake, CA 92315

Sugar Bowl Corporation
P. O. Box 5
Norden, CA 95724

Sunshine Village Corporation
Box 1510
Banff, Alberta
Canada T0L 0C0

Timberline Ski Area
Timberline Lodge, OR 97028

WEST, CONTINUED

Westcastle Park
Box 279
Pincher Creek, Alberta
Canada T0K 1W0

Whistler Mountain Ski Corporation
P.O. Box 67
Whistler, British Columbia
Canada V0N 1B0

Whitewater Ski Resort
Box 60
Nelson, British Columbia
Canada V1L 5P7

Wintergreen
P. O. Bag 2
Bragg Creek, Alberta
Canada T0L 0K0

APPENDIX B

United Ski Industries Association
Annual Economic Survey
1989-90 Season

PLEASE RETURN BY AUGUST 15, 1990.

This questionnaire represents the twenty-second economic survey of North American Ski Areas. The response in 1988-89 allowed us to prepare an excellent analysis of the industry. We again solicit your cooperation. Please return it as soon as possible.

The data **must include an entire 12-month period**—the 1989 summer season and the winter season 1989-90. If you wish to send us a copy of your **complete financial statement** (including supplements), we will complete a questionnaire for you.

The instructions and definitions provided are designed to facilitate the collection of comparable data—please follow them as closely as possible. The definitions are arranged as they appear in the questionnaire.

We have asked you to identify your area for follow-up purposes; however, all information will be kept strictly confidential.

Name of Ski Area _____ Telephone _____

Address _____

City _____ State _____ Zip Code _____

Fiscal Year: _____ 19____ to _____ 19____

Person to contact if further information is required _____

Telephone number where contact person can be reached during September and October _____

Person to whom the final report should be sent _____

_____

1989-90 GENERAL INFORMATION (For Classification Purposes)

1. Ski-lift data that you provided in previous surveys is stored on punched cards. If you provided this data last year, give your total 1988-89 VTF/Hr and then list only new lifts added and old lifts retired or rebuilt to different capacities. If no changes, just give your 1988-89 VTF/Hr total.
1988-89 Total Area VTF/Hr _____

See Definitions 3-7.

A	B	C	D	E
Lift Type (Please list each lift separately.) (Definition 3)	**Year Lift First Operated (Definition 4)**	**Vertical Drop (Definition 5)**	**Uphill Capacity in Skiers/Hour (Definition 6)**	**VTF/Hour (CxD) (Definition 7)**
			1989-90 Total Area Vertical Transport Feet/Hour	

2. Year area **first operated** _____

3. Does your ski area have snowmaking?
( ) yes ( ) no
If yes, how many hours did you operate snowmaking equipment in 1989-90? _____ Hours

4. 1989-90 ski area acreage.
a) Total acreage at ski area: _____ acres
b) Total skiable acreage: _____ acres
c) Acres of maintained/groomed slopes: _____ acres
d) Acres covered with snowmaking equipment: _____ acres
e) Acres under lights for night skiing: _____ acres
f) Acres under USFS permit: total acres _____; skiable acres _____; maintained acres _____.

5. Classification of your ski area—**choose one.**
( ) **Day Skier Area** (area at which overnight, dining, and after-ski facilities are limited since the area *primarily serves a day skier market*)
( ) **Weekend Skier Area** (area with substantial overnight accommodations and a variety of dining and entertainment but which *primarily serves skiers who stay for a weekend*)
( ) **Vacation Destination Skier Area** (area which *primarily serves the skier who stays longer than a weekend*)
( ) **Weekend Only Area** (area which is *open only on weekends*)

6. We are seeking an absolute measure of growth in usage. Skier-visits are the universally accepted measure of business volume. Would you provide us with your skier-visit count for the past five ski seasons? (Skier-visits is an actual count and *includes season ticket use.*) (**See Definition 12.**)

	Skier-visits				
	Day		Night		Total
1989-90	_____	+	_____	=	_____
1988-89	_____	+	_____	=	_____
1987-88	_____	+	_____	=	_____
1986-87	_____	+	_____	=	_____
1985-86	_____	+	_____	=	_____

7. We are seeking a measure of your ski area's daily and seasonal capacity. Capacity is the product of the number of skiers at one time and the number of time periods. Please provide us with:
a) Your **peak crowd** in 1989-90: _____ skiers at one time
b) Your estimate of your "**design**" ***daytime*** **skier capacity** in 1989-90: _____ skiers at one time.
1) Total days of operation in 1989-90: _____ days.
2) Of the total days of operation we could handle: our design crowd (a) _____ days; between 50 and 99% of our design crowd: (b) _____ days; less than 50% of our design crowd: (c) _____ days. (a) + (b) + (c) equals total days your time in 1).
c) If you also operate some lifts and trails at night, your estimate of your "**design**" ***nighttime*** **skier capacity** in 1989-90: _____ skiers at one time
1) Number of nights when all night lifts and trails were open and skiable and you could handle a full nighttime crowd: _____ nights.

8. 1989-90 Ticket Prices:
Adult Weekend All-Day Ticket $_____
Adult Weekday All-Day Ticket $_____
Night Weekend Ticket $_____
Night Weekday Ticket $_____
Single Adult Season Ticket $_____

9. Proximity to metropolitan area (SMSA) in miles. (See **Definition 13.**)
( ) 0-24 ( ) 25-49 ( ) 50-74
( ) 75-99 ( ) 100 or more

10. How many ski areas are within one hour driving time of your area:
( ) 0 ( ) 1 ( ) 2-3 ( ) 4-5 ( ) 6 or more

11. Percentage of your terrain in the following categories:
Beginner____% Intermediate____% Expert____%

12. Lodging available to ski patrons:
Number of beds at your base area_____
Number of beds within 10 miles of your base area *(including beds at base)* _____

13. Other activities available (check all that apply):

	Physically Offered at Area	Offered Nearby
Tobogganing or Sledding	( )	( )
Snowmobiling	( )	( )
Ice Skating	( )	( )
Ski Touring	( )	( )
Golf	( )	( )
Tennis	( )	( )
Swimming	( )	( )
Other Water Sports	( )	( )
Summer Slide	( )	( )
Other: (please specify) _____	( )	( )

14. Ski Area Land Ownership is:
( ) All private land
( ) Partially or wholly public land
( ) USFS permit
( ) State/Provincial land lease
( ) Canadian Government land lease
( ) Other (county, etc.) _____

Percent of slope transport feet **(see Definition 14)** on **USFS land** _____%

15. Is your area engaged in land and/or real estate development? ( ) yes ( ) no
If yes, do you offer (check all that apply):
( ) First home sites
( ) First homes
( ) Second home sites
( ) Second homes
( ) Condominium sites
( ) Condominiums
( ) Commercial sites
( ) Commercial buildings

16. Does your area use a computer? ( ) yes ( ) no
If yes, is it ( ) Owned, ( ) Timeshare?
What brand?_____ Model?_____
What applications is it used for (check all that apply):
( ) Payroll
( ) Accounts Receivable
( ) Accounts Payable
( ) Forecasting
( ) Market Research
( ) Ticket Sales
( ) Other (please specify) _____
_____

17. Ski area employment in 1989-90 (including concession employees):

Total Number of Employees:	Lift Dept.	Ski School	Food Service	Bar	Retail Store	Rental Shop	Accom-modations	Other	Total All Operations: Number of Employees	Total All Operations: Full-time Equivalent
on average day	_____ +	_____ +	_____ +	_____ +	_____ +	_____ +	_____ +	_____	= _____	_____
on peak day	_____ +	_____ +	_____ +	_____ +	_____ +	_____ +	_____ +	_____	= _____	_____

18. Do you provide uniforms for your employees? ( ) yes ( ) no

19. Do you accept credit cards? ( ) yes ( ) no. If yes, which ones? _____

_____

1989-90 Itemized Income Statement for a 12-Month Period _____ 1989 Through _____ 1990 (See Definitions 15-20.):

	Winter Season Operations: Ski Lift Dept.	Ski School	Food Service	Bar	Retail Store	Rental Shop	Accom-modations	Other[1]
Do not have:	( )	( )	( )	( )	( )	( )	( )	
Own and Operate:	( )	( )	( )	( )	( )	( )	( )	
Concession:	( )	( )	( )	( )	( )	( )	( )	
In thousands:	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
Revenue—Gross Sales or	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____
Concession Income	. . . . .	$_____	$_____	$_____	$_____	$_____	$_____	$_____
Less: Direct Expenses								
(A) Cost-of-Goods-Sold	. . . . .	. . . . .	$_____	$_____	$_____	$_____[4]	. . . . .	$_____
(B) Direct Labor	$_____*	$_____	$_____	$_____	$_____	$_____	$_____	$_____
(C) Other Direct[5]	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____
Less: Direct Allocations:								
(D) Payroll Taxes, etc.	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____
(E) Property Operation								
Equals: GROSS MARGIN:	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____

***Detail Winter Lift Department**

Direct Labor:	(000)
Lift	$_____
Ski Patrol	$_____
Slope Maintenance	$_____
Maintenance and Repair	$_____
Ticket Sales	$_____
Other	$_____
Total	$_____

[1]Other includes Lockers, Nursery, Souvenirs, Coin Machines, Snow Tours, Ice Skating, etc.

[2]The Utility Dept. is for those ski areas that operate community water, sewer, power, plowing, telephone, garbage collection, etc., services either for a fee or free.

[3]Misc. includes Interest Income, Timber Sales, and other unconventional undertakings.

[4]Include the depreciation of rental equipment under cost-of-goods-sold instead of the depreciation account. This is because of the general short life of this equipment.

[5]Other Direct Costs to include the utility cost (except snowmaking), repair and maintenance costs, parts and supplies costs, uniform costs, and any other costs that are directly attributable to the departmental operation.

[6]Payroll Taxes and Employee Benefits to include FICA and unemployment taxes, health, disability and workman's compensation insurance, life insurance, pension and profit sharing, vacation and holiday pay, meals, gifts, etc.; may be allocated by department or grouped under the annual totals in accordance with your accounting treatment.

[7]Despite all efforts to the contrary, there are major items of expense involved in the operation and maintenance of a ski area that do not lend themselves to a direct charge to an operating department. For example, an area might have a general maintenance crew who works from a common supply of tools and repair parts to do minor maintenance in all departments of the ski area. For comparability and analysis, these costs are consolidated as Property Operations, Maintenance, and Energy. You may allocate them by department or group them under annual totals in accordance with your accounting treatment.

20. Do you permit snowboarding? ( ) yes ( ) no

21. Have you conducted a study of the economic impact of your ski area on the surrounding region?
( ) yes ( ) no

22. Will you please provide us with comments on your 1989-90 season? What were the highlights, such as new areas or major expansions, unusual weather conditions, or major pricing or marketing activities that have affected your performance for the 1989-90 season? (Please use an additional sheet if necessary.)

_____

_____

_____

Year Round Operations			Summer Season Operations							
Real Estate	Utility[2] Dept.	Misc.[3]	Lift Dept.	Food/Bar Service	Retail Store	Sports Dept.	Accom-modations	Summer Slide	Other	ANNUAL TOTALS
( )	( )	( )	( )	( )	( )	( )	( )	( )		
( )	( )	( )	( )	( )	( )	( )	( )	( )		
( )	( )	( )	( )	( )	( )	( )	( )	( )		
(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____
$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____
$_____		$_____		$_____	$_____		$_____	$_____	$_____	$_____
$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____
$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____
$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____[6] _____[7]
$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____	$_____

Less: Common Expenses:

(A) General and Administrative ..... $_____
(B) Marketing (Adv.; Pub.; Pro.; P.R.; etc.) ..... $_____
(C) Insurance: (1) Property (Fire, Theft, etc.) ..... $_____
(2) Liability ..... $_____
(D) Land use fees (1) Public Land Lease ..... $_____
(2) Private Land Lease ..... $_____
(E) Taxes (Except Income taxes)
(1) Property Taxes ..... $_____
(2) Other Taxes ..... $_____
(F) Snowmaking: (1) Labor ..... $_____
(2) Power/Fuel ..... $_____
(3) Maintenance ..... $_____
(4) Other (Water, etc.) ..... $_____
(G) Snow removal ..... $_____
(H) Miscellaneous ..... $_____
(I) Depreciation and Amortization ..... $_____
OPERATING PROFIT (LOSS) ..... $_____
Less: Interest Expense ..... $_____
PROFIT (LOSS) Before Income Taxes ..... $_____

Balance Sheet Information (as of _____ 1990)
(See Definitions 21-29.)

Please make sure total assets equal total liabilities + net worth. Otherwise the data cannot be used.

	(Round to Nearest $1,000) 1990
Assets	
a. Current Assets	$_____
b. Gross Fixed Assets (Undepreciated Cost Excluding Land Held for Resale and Overnight Accommodations)	_____
c. Less Accumulated Depreciation	(_____)
d. Other Assets (Including Land Held for Resale and Overnight Accommodations)	_____
TOTAL ASSETS	$_____*
Liabilities and Net Worth	
e. Current Liabilities	_____
f. Long-Term Debt	
1. Senior Long-Term Debt (Secured by Mortgaged, Chattels, etc.)	_____
2. Subordinated Debt	_____
g. Deferred Taxes	_____
h. Other Liabilities	_____
i. Net Worth	
1. Invested Capital	_____
2. Retained Earnings (Loss)	_____
3. Less Treasury Stock	(_____)
TOTAL LIABILITIES AND NET WORTH	$_____*

***Please make sure that these figures are the same.**

Finally, what comments do you have on the annual economic survey? What would you like to see added or dropped? What suggestions can you make to improve it?

_____

_____

_____

Would you like to receive the report in loose leaf form, 3-hole punched, rather than bound the way it is now?

_____

Thank you for your cooperation.

APPENDIX C

DEFINITIONS OF TERMS

The definitions of terms used throughout the report were developed primarily by the USIA Economic Study Committee. Some key definitions are given below, with a brief explanation of how the information is used on the survey and in this report. For definitions 1–25, the numbers to the left are reference numbers used on the Annual Survey (see Appendix B).

1. **SEASON:** The inclusive months between the opening and closing of a ski area each year.
2. **FISCAL YEAR:** An accounting period of 12 months, usually indicated by the month in which an area closes its books.
3. **TYPE OF LIFTS:** For the purposes of this study, lift types are categorized as surface, chair, or gondola.
4. **YEAR LIFT FIRST OPERATED:** Year when the lifts were first installed and operated; provides a rough measure of capital investment in the industry over time.
5. **VERTICAL DROP:** The vertical distance from the top to the bottom of the slope for a particular lift.
6. **UPHILL CAPACITY:** The manufacturer's rated number of skiers per hour which a lift can transport to the top of the slope. An area's UPHILL CAPACITY is the sum of the capacities of its individual lifts.
7. **VTF/HOUR (VERTICAL TRANSPORT FEET PER HOUR):** The *product* of the vertical drop of a lift *and* the lift manufacturer's rated skiers-per-hour capacity.
8. **DAY-SKIER AREA:** Area at which overnight, dining, and after-ski facilities are limited, since the area primarily serves a day-skier market.
9. **WEEKEND-SKIER AREA:** Area which has substantial overnight accommodations and a variety of dining and entertainment, but which primarily serves skiers who stay for a weekend.
10. **VACATION-SKIER AREA:** Area which primarily serves skiers who stay longer than a weekend.
11. **WEEKEND-ONLY AREA:** Area which is open only on weekends.

12. **SKIER VISIT:** One person visiting a ski area for all or any part of a day or night for the purpose of skiing. This equals the total number of lift tickets issued. Skier visits include full-day, half-day, night, complimentary, adult, child, season, and any other ticket types that give a skier the use of an area's facilities. Where single rides or coupon books are an important source of revenue, equivalent skier visits are computed from these sources. Each ticket sold for night skiing is included as a skier visit. SKIER VISITS is an actual count and includes season ticket use.

13. **STANDARD METROPOLITAN STATISTICAL AREA (SMSA):** An incorporated area with a nucleus of at least one city of 50,000 inhabitants or more (or "twin cities" with a combined population of at least 50,000).

14. **SLOPE TRANSPORT FEET:** A method for prorating winter-sport uphill facility capacity on the basis of land ownership. Two factors are obtained for each lift, one for each type of land ownership. The factors are computed by *multiplying* the UPHILL CAPACITY of each lift *times* the slope distance traveled by that lift through each type of ownership (private or U.S. Forest Service). The factors for all the lifts are added for each type of ownership, and the percentage they bear to the total is determined. The resulting percentages reflect, by ownership, the weighted capacity of the lifts.

15. **REVENUE:** The *total* revenue (income) derived from ski area operations, including ski lifts, ski school, cafeteria, ski shop, equipment rentals, accommodations, and real estate; also includes concession income from leased operations.

16. **DIRECT LABOR:** Total employees' salaries and wages.

17. **OTHER DIRECT EXPENSE:** Any other costs directly related to the particular activity (excluding depreciation).

18. **GROSS MARGIN:** The revenue available to cover other expenses after direct expenses have been deducted.

19. **INSURANCE:** Includes both insurance premiums and self-insured losses or deductible losses paid during the twelve-month period.

20. **PROFIT (LOSS) BEFORE INCOME TAX:** Net income derived from all area operations after direct and other expenses have been deducted from total revenue.

21. **CURRENT ASSETS:** Assets (e.g., cash, inventories, prepaid expenses, accounts receivable, and other items) which will convert to cash, in the normal course of business, within one year.

22. **GROSS FIXED ASSETS:** The *total of* the original undepreciated cost (not present value) of improvements and fixtures, *plus* the cost of equipment necessary to generate sales and other income (day buildings, lifts, equipment, investment in trails, parking, etc.), *minus* the cost of equipment which has been disposed of. GROSS FIXED ASSETS are shown at original cost, including additions, i.e., prior to any allowances for depreciation and/or amortization.

23. **DEPRECIATION:** The *cumulative sum* of depreciation of all gross fixed assets. This total indicates the extent to which an area's assets have been written off; it should not include any depreciation on assets which have been previously disposed of.

24. **OTHER ASSETS:** Any assets other than current or gross fixed assets; includes land held for resale as well as overnight accommodations.

25. **CURRENT LIABILITIES:** Liabilities, such as accounts payable, accrued wages, accrued payroll taxes, and portions of loans or long-term debt due within one year.

26. **LONG-TERM SENIOR DEBT:** Loans, with completion of repayment scheduled more than one year in the future, that are secured by some claim to property or equipment in the event of non-payment.

27. **LONG-TERM SUBORDINATED DEBT:** Loans, with completion of repayment scheduled more than one year in the future, for which the lender has no claim to a specific asset upon liquidation, *and/or* loans subordinated, in terms of priority of payment, to obligations to other creditors.

28. **INVESTED CAPITAL:** The original ownership investment (amount received for stock, partnership, or proprietorship interest) *plus* any new equity funds raised from sources other than earnings.

29. **RETAINED EARNINGS (LOSS):** Cumulative earned surplus or loss from previous annual operations.

Economic Ratios

30. **SKI AREA CAPACITY:** The maximum number of skiers that a given ski area can comfortably support on the slopes, on the lifts, and in the base and mountain warming buildings without overcrowding, *or* the maximum number of skiers a ski area can accommodate at one time while preserving a congenial environment. SKI AREA CAPACITY is a judgment. A ski area's comfortable capacity is some function of the VTF/hour and scope of skiing available, as well as the difficulty of the terrain and the varying abilities of the skiers. For consistency of comparison, in this report SKI AREA CAPACITY is calculated by assuming a specific VTF/hour demand.

31. **OPERATING PROFIT:** Profit (net income) before income tax and interest expenses. Since these two expenses vary according to the capital structure and past operations history, OPERATING PROFIT provides a more precise way of measuring economic variations caused by differences in experience and seasonal fluctuations and allows for the comparison of ski areas with varying capital structures.

32. **UTILIZATION:** Usage measured as a percent of **SEASON CAPACITY**. SEASON CAPACITY is the *product of* a ski area's capacity *and* its EQUIVALENT DAYS/NIGHTS OF OPERATION. UTILIZATION compares actual skier visits to a calculated ceiling SEASON CAPACITY.

33. **CAPITAL COST (GFA)/CAPACITY RATIO:** The *ratio of* the cost to construct the ski area (GFA) *to* its ability to handle skiers (SKI AREA CAPACITY). For any given point in time, this ratio is a rough measure of site and design efficiency.

34. **OPERATING COST/CAPACITY RATIO:** The *ratio of* cash operating costs (excluding depreciation and interest) *to* the ceiling **SEASON SKIER CAPACITY** (SKI AREA CAPACITY *times* length of SEASON). Note that, since the methods used here in the presentation of the average area's income statement exclude any and all direct operating expenses for supporting departments, these operating expenses are excluded from the ratio. This ratio is a measure of the operating efficiency of a ski area. It is expressed in *dollars per skier visit*, with skier visits based on seasonal capacity.

35. **TOTAL REVENUE PER SKIER VISIT:** The *average* gross amount received (in dollars), from actual ski lift ticket sales, for each SKIER VISIT *plus* the net margin from each supporting activity. This ratio is calculated by *dividing* total revenue *by* actual skier visits.

36. **EQUIVALENT DAYS/NIGHTS OF OPERATION:** A measure of days/nights of operation that weights the count according to the proportion of facilities available. Days/nights when all facilities are open are given full weight, while days/nights when less than all but more than half of the mountain is open and skiable are weighted at 75%, and days/nights when less than half of the mountain is open and skiable are weighted at 25%.

APPENDIX D

USIA ECONOMIC STUDY COMMITTEE

Gary Mielke, Chairman
Steamboat Ski Corporation
2305 Mt. Werner Circle
Steamboat Springs, CO 80487

Bob Ashton
Waterville Valley Ski Area
Tripoli Road
Waterville Valley, NH 03215

Curtis Bender
Ski Area Operations
Colorado Mountain College
Timberline Campus
Leadville, CO 80461

Mel Borgersen
Pacific Northwest Ski
Areas Association
P. O. Box 2325
Seattle, WA 98111–2325

David L. Carto
Snow Trails
P. O. Box 1456
Mansfield, OH 44901

Chris Diamond
Mount Snow Ski Area
Mountain Road
Mount Snow, VT 05356

Ted Farwell
Ted Farwell and Associates, Inc.
7363 Cortez Lane
Boulder, CO 80303

Dr. Charles Goeldner
University of Colorado at Boulder
Campus Box 420
Boulder, CO 80309–0420

Ken Hammerly
13 School Street
Littleton, NH 03561

Dr. Marvin Kottke
15 Hunting Lodge Road
Storrs, CT 06268

Dick Linke
Alpine Meadows Ski Area
P. O. Box 5279
Tahoe City, CA 95730

George McKay
Coordinator—Ski Development
Tourism, Recreation, and Culture
1117 Wharf Street
Victoria, British Columbia
Canada V8W 2Z2

Larry Schumaker
Winter Park Resort
P. O. Box 36
Winter Park, CO 80482

Barbara Vedder
Ski Roundtop
925 Roundtop Road
Lewisberry, PA 17339